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# Near East/South Asia Report

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6 January 1986

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WEEKLY CRITICAL OF U.S. AID, ECONOMIC RELATIONS

PM151605 Cairo AL-AHALI in Arabic 30 Oct 85 pp 3, 6

[Article by 'Asim Hanafi: "Egyptian Economy in Intensive Care Room"]

[Excerpts] What is happening in the economic and political arena these days is truly strange. We talk of subservience to the United States and demand its elimination. We also demand the adoption of a wise economic policy that builds Egypt, overcomes difficulties and utilizes shackled resources in an endeavor for economic liberation and, subsequently, political liberation. Suddenly some writers in the opposition camp grab the idea and propagate it, raising almost the same slogans in the national press. They then translate all this into specific points, namely: Raising prices and abolishing subsidies, i.e. the traditional demands of the IMF and of the United States behind it.

The crisis intensifies and we say that we are prepared to tighten our belts, but they demand that we tighten our belts so that they may implement the U.S. policy which we are seeking to free ourselves from.

Under the pretext of self-reliance, we are falling deeper into the snare of the conventional prescription of the IMF and of the American enemy.

AL-AHALI opens its pages today to a number of economic experts from various political factions and currents, in addition to a number of experts of the National Planning Institute, in an attempt to answer the urgent question: How do we rid ourselves of subservience to the United States and build a self-reliant Egyptian economy?

To begin with, Dr Fu'ad Mursi, a prominent economic thinker, and former minister of supply and secretary of the NPUG Party's Political Committee, presents some ideas concerning the issue--ideas which he presented at a NPUG Party symposium on the means to overcome subservience.

Dr Mursi said: It is essential to adopt immediately an independent and self-reliant policy to raise the people's standard of living and to enable Egypt to regain its national freedom. I refute what is said about Egypt being a poor country economically. There are 15 billion Egyptian pounds deposited in banks, in addition to funds smuggled to the outside world openly and secretly. The truth is that Egypt is a rich country. But its government is poor and it wants to remain poor because it behaves generously toward the rich while denying

itself resources that can contribute to raising the people's living standard--resources that it could collect through taxes and through the funds it relinquishes to the rich by way of numerous exemptions.

Until 1974, the United States had no economic influence whatsoever in Egypt and Egypt lived in a state of self-sufficiency in everything, except for wheat, of which it had to import 30 percent of its requirements. What has happened, how has the Egyptian economy declined and how has the United States come to gain all this influence in 10 years?

In reply, Dr Fu'ad Mursi has said that the open-door economic policy has played a real role in hurling Egypt into the abyss of reliance on the outside world and that this policy has sought to restore Egypt to the fold of capitalism back to Egypt and to tie Egypt to the wheel of the capitalist world's economic development, particularly to the United States.

But what is the nature of the distinguished U.S. position in the Egyptian economy?

The figures indicate that the United States has foreign investments in Egypt amounting to \$1.5 billion, including \$1.3 billion in the banking sector and \$200 million in other sectors, especially in the banking sector. I mean by this that in Egypt, the United States controls two fundamental sectors: oil and banking. As for the other sectors, such as industry, agriculture and the other investment spheres, the United States is totally absent.

Another point is that Egypt owes one third its foreign debt, nearly \$10 billion, to the United States. When the United States advances loans to Egypt, it does so for numerous reasons, especially to lure Egypt toward separate peace with Israel. Through these loans, the United States also seeks to turn Egypt into a part of the universal U.S. strategy in the Arab area, i.e. to make Egypt befriend the U.S. friends' and antagonize the U.S. enemies and, frankly, to turn Egypt into a U.S. base in the area.

This aid or, to put it more precisely, these loans, are used to market U.S. goods and to attract certain political and social factions to the U.S. line, way of life, values, and style of living. It suffices that there is a provision in the aid agreement making annual allocations for training Egyptian officers in the U.S. way of life and costing the Egyptian treasury nearly \$4 million annually.

It is nothing new to emphasize that a large part of this aid goes to the U.S. experts, another part to the maritime transportation companies operating between Egypt and the United States, a third part to corrupting numerous groups of Egyptians, a fourth part to purchasing U.S. goods, a fifth part to U.S. insurance firms and so forth.

But what about Egyptian-U.S. trade relations?

U.S. exports to Egypt amount to \$3 billion annually, whereas its imports from Egypt amount to the equivalent of \$500 million, i.e. there is a deficit of

nearly \$2.5 billion in the trade balance. If we add up the total deficit in Egypt's trade balance with all countries of the world, we would find that it amounts to 5 billion pounds or \$3.5 billion at free market prices, meaning that the trade deficit with the United States is \$2.5 billion and no more than \$1 billion with the rest of the world.

But how do we make up for this deficit?

The answer is obvious, namely by way of U.S. aid, meaning that this aid is given Egypt so Egypt can purchase U.S. goods. In other words, this aid is given to the U.S. producer to enable him to export to Egypt in the amount of \$2.5 billion.

We now come to the loaf of bread. They exploit this particular point to shackle our will so that we may not be able to take a decisive stance toward the Egyptian-U.S. relations. The facts of the situation confirm that Egypt [presumably meaning United States] does not help the Egyptian farmer grow wheat, but saves the aid to give it to the U.S. farmer who sells his wheat to Egypt at an expensive international price, meaning that the aid subsidizes the U.S. farmer so that he may continue growing wheat.

In 1974, Egypt imported nearly 2 million tons of wheat whereas it imported nearly 8 million tons in 1984. This means that wheat imports grew by 400 percent in 10 years whereas the population grew by 17.5 percent only. How did this happen?

The answer is, simply, that wheat production in Egypt has declined because it is no longer rewarding to the Egyptian farmer who is paid a price lower than the world market price. Moreover, we consume wheat excessively because of the poor quality of the bread industry.

But how can this situation be overcome?

A 3-year plan must be formulated to revive the Egyptian economy--a plan in which wheat and corn production, and grain production generally, is increased. We must also curtail our consumption of imported wheat and must improve the local bread industry.

All exemptions, including tax and customs fee exemptions, given to investment projects must be abolished. The exemptions these projects have obtained over the past 10 years are enough. It is sufficient to note that these exemptions amount to nearly 4 billion pounds annually. This simply means that we subsidize the investment project owners to the tune of nearly 4 billion pounds while subsidizing the poor with no more than 2 billion pounds annually.

Urgent steps must, furthermore, be taken to tackle the foreign trade deficit. The most important of these steps is abolition of importation without currency remittance, stopping the importation of luxury goods and confining the importation of foodstuffs to the public sector companies.

With such steps, the deficit in the general budget and in the trade balance can be tackled and the United States can be confronted and its aid dispensed with, and this is the real challenge.

## Hasty Destruction

Speaking on the same points, Dr Hilmi Murad, former minister of education and the Labor Party secretary general, has said: We are not demanding an assault on the United States or an attack on its policies. We are only demanding that we stop relying on the United States and that we rely on ourselves as much as possible. It is well known that U.S. aid currently received by Egypt is for one objective alone, namely to repay the burdens of the U.S. debt. During President Mubarak's latest visit to the United States with an Egyptian economic delegation, Egypt obtained \$500 million in additional aid used to repay the overdue installments we owe the Americans. If we don't pay these installments, U.S. aid will be automatically suspended, as stipulated by U.S. law. This means that they give us with one hand and take away with the other.

The latest events have perhaps alerted us to what is being plotted against us. There is now in Egypt a national awakening seeking to change the economic course, especially since the Egyptian people are prepared to sacrifice and to endure austerity in order to confront the challenges. This is a real opportunity for the government to correct the economic course. If the government fails to take advantage of this opportunity, we will not be able to do so in the future.

We want policies that are actually implemented, not just propaganda fireworks. The statement that there is a tendency toward general austerity is acceptable and the statement that there is a tendency to squeeze expenditures is something we welcome, provided that the man in the street feels and becomes aware of this tendency because laxity and superficial spending have become the characteristic of the age, as proven by the travel of the delegations that go abroad or the travel of the press delegations that accompany the president of the republic and cost millions of pounds.

We want to see practical steps and want President Mubarak personally to set the example in his travels, parties and public expenditures.

The saving of Egyptians abroad can also be utilized. Importation without currency remittance must be abolished. The law permitting the opening of free currency accounts without inquiring into the source of such currency must also be abolished, and so must the subsequent transfer of such accounts to the outside world because this is tantamount to real smuggling.

And what about wheat?

Al-Sadat maintained that we must achieve self-sufficiency in all foodstuffs, except wheat. What is required now is that this slogan become: We must achieve self-sufficiency in everything, primarily wheat. It suffices that Saudi Arabia has discovered that wheat is a strategic commodity, that it has achieved self-sufficiency in this commodity and that it has even entered the phase of exportation.

In industry, we must make a distinction between political relations and economic relations. When we shut down our factories which are operated by Eastern technology in order to replace this technology by Western technology, as al-Sadat

wanted, then this is--and excuse me for saying so--tantamount to hasty destruction.

We must temporarily dispense with the long-range projects and must content ourselves with projects that produce quick returns. We must devote attention to agricultural expansion and must ask the government to reexamine the economic, social, and political situation so that we may start anew and may not be carried away by a dangerous current, may not be afflicted with a catastrophe and may not fall into the abyss.

Finally, a new plan must be formulated in light of the new changes and this plan must be implemented. Frankly, we must steer away from the headline plans with which the national press faces us every morning, when in fact these plans are no more than ink on paper.

#### Malicious Slogans

Away from the political parties, Dr Husam Mandur speaks in his capacity as an Egyptian planning expert and as professor at the National Planning Institute.

Dr Mandur has said: By keeping up with what is published in the national press, we notice that the slogan of self-reliance has been raised vis-a-vis the latest U.S. assault, with the papers focusing on or, to put it into other words, utilizing this opportunity to abbreviate this slogan into the call for eliminating the bread subsidy on the pretext that our dependence on the outside world is two-pronged: food and weapons. Considering that we have "diversified" the weapon sources, as they claim, then the only thing left for us to do is to solve the food-gap problem, particularly the wheat shortfall. What is surprising is that the reform prescription offered by the Americans directly or through the IMF and the World Bank moves in the same direction on the pretext that rationalization cannot be achieved except by raising prices. This idea is projected in all spheres, be they the spheres of energy, of manufactured goods, of agricultural goods or others.

Dr Husam Mandur asked: Does self-reliance ultimately mean raising prices or does the realization of this slogan require a number of policies of which the current government is incapable? A number of al-Wafd party writers who are not far from the government's tendencies still demand more radical solutions from the government, such as stopping the importation of manufactured goods and of cars for 3 years. They also demand other decisions that seek to curtail importation and consumption, even if for a limited period of time, out of their awareness of the deteriorating economic situation and their fear of collective drowning.

Dr Mandur believes that self-reliance requires a long-term development policy that seeks to find a place for the Egyptian economy within the framework of an international division of labor through cooperation with international and regional blocs capable of giving us a real opportunity to change the Egyptian production structure through long-term agreements.

To put it more clearly, we must cooperate in the production spheres within the Arab regional framework and then cooperate with the socialist bloc without isolating ourselves from the world market.

It must be pointed out that we will not be able to achieve self-reliance in the abovementioned sense of the word stealthily, i.e. by trying to implement gradually without making the enemy aware of our objective. World imperialism wants Egypt to be subservient and weak and any attempt on Egypt's part to swerve from the framework set for it will be met with violent suppression.

This is why we must realize that raising the slogan of self-reliance will be met with rejection by the hostile forces. It is my belief that such development toward self-reliance within the framework of the current policies is close to impossible politically because those tied to the outside world by direct interests benefit from the current situation.

This is why the current policies and their tendencies must be changed before thought is given to raising the idea of self-reliance.

If we analyze--far from the self-reliance proposals which are reiterated by the national press and which are translated into ending the subsidy and increasing prices--the U.S. aid figures for last year, amounting to nearly \$1 billion, we believe that some of the aid provisions can be dispensed with and that others need to be truly examined in order to find out the degree of our actual need for these provisions and the extent of their impact on the Egyptian production apparatus.

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DAILY ON JOINT EXERCISES WITH SUPERPOWERS

PM211615 Cairo AL-JUMHURIYAH in Arabic 17 Nov 85 p 5

[Article by Muhammad al-Hayawan: "A Word of Love"]

[Text] Joint exercises with the United States have their advantages. You learn about new weapons, new tactics, new methods, and new ways of conducting a battle. We used to hold such joint exercises with the Soviet Union and we benefited from them and made modifications, but in the end we expelled the Soviet experts because they interfered in everything. They even conspired in that they informed Israel about some of the air force sorties and supplied the armed forces with equipment they did not need and withheld what we were in dire need of.

During the recent exercises with the United States we received strange requests, to our surprise. The United States requested that Egyptian ammunition be used, and it also wanted some facilities free of charge. We rejected the request because we did not want to deplete our ammunition stock as a result of the exercises. In response to the Egyptian rejection the United States supplied all the ammunition for the exercises, but the request still seemed strange until President Mubarak provided the explanation in his speech to the parliamentary body. He said that the Soviet Union used to charge for everything in those exercises including the fees paid for the right of Soviet aircraft to use the airspace of other countries. We paid up because we wanted the benefits.

That leads us to the question of Soviet debts and the truth about those debts. Should we repay those debts to the Soviet Union? They charged exorbitant interest and their usury was worse than that of Shylock the Jew. They sold us 1939 guns which the United States had given Russia to defend itself against Hitler. The United States still has not been paid for them, the Soviet Union has been paid for them in full by Egypt.

The Soviet debt file should be reopened. I would like it to be done publicly, so that we would know how the Soviet Union sucked out blood in its dealings with us and how it charged double the market price for everything it sold Egypt. On top of all that, it always sought more influence and it interfered in Egypt's internal affairs, including appointments to leading positions in the Socialist Union and the media.

That was a cloud which has now passed, but we do not need to deal with the Soviet Union again because we have learned a lot. Once bitten, twice shy.

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ISRAELI ROLE IN 'ACHILLE LAURO' DISCUSSED

Cairo AL-MUSAWWAR in Arabic 8 Nov 85 p 30

[Article by Sabri Abu-al-Majd: "Open Words: The American Administration and the Historical Lessons It Refuses To Heed"]

[Text] I was certain and fully confident that the hijackers of the Italian ship "Achille Lauro" could not have been PLO followers, but rather direct or indirect Israeli operatives or agents of some Arab regimes hostile to the PLO under Yasir 'Arafat's leadership. The hijacking of this ship--the first time a ship was hijacked--has rendered a great service to Israel, overshadowing its reprehensible crime in Tunis. Moreover, this operation, the hijacking, has done great damage to the PLO's standing with its friends, supporters, and sympathizers. Israel was adept at exploiting this incident to its advantage and against the PLO! I remember that after I exposed this opinion of mine, some people asked me what special information I had that prompted me to take this strange direction, and I said: "Nothing at all except my inner national and pan-Arab political radar which no one has succeeded in jamming and also my exploration of events, etc." I thank God Almighty that Palestinian leader Yasir 'Arafat has confirmed what I noted about a month ago, although he refrained from mentioning, as he said, the name of the side which masterminded and carried out the hijacking pending completion of investigations. I take personal responsibility, however, for saying that that side was the Syrian regime.

Some Palestinian leaders reproved me for the editorial I published last week that said that the PLO was wrong to distribute roles to its leaders, for this is a political and not a revolutionary action, and we believe that the PLO should be above such deeds. The PLO is also wrong to deal with some Egyptian opposition groups, just as it is wrong to divide the Egyptian people into supporters and opponents when all of them are supporters and followers and, indeed, partners when it comes to the Palestinian cause. I told my critics what I have always said to them: "A friend is the one who advises and criticizes you, not the one who misleads and uses you." I hope Yasir 'Arafat will believe me when I say that I was speechless when I read the London-based AL-SHARQ AL-AWSAT newspaper--which bears full responsibility for this--that Yasir 'Arafat announced that he would visit Egypt this week in response to two investigations, one from President Husni Mubarak and the other from the representatives of the Egyptian political parties which met with him last week in Kuwait. Two invitations! At any rate, Yasir 'Arafat does not need

an invitation to visit Egypt. He has lived in Egypt longer than in any other country and enjoys the same rights as the 49 million Egyptian citizens. Furthermore, Egypt, unlike any other Arab country, has given him love, support, and assistance! I was also certain and fully confident, upon hearing about the hijacking of the Egyptian civilian airliner at the hands of the American fleet, that the biggest loser in this operation was American President Ronald Reagan. He has lost a great deal because of this crime. He has lost not only the Egyptian people and the Italian people but world public opinion as well. Indeed, he has lost a great deal within the United States itself except, of course, the lobbies who are not concerned about the interests of the American people but rather about those of the Israeli leaders, be they civilian or military. Suffice it to say that the American public's vigilance was underscored by the fact that a prominent lawyer in the United States accused the American president of violating the American constitution by hijacking the Egyptian airliner and trying to arrest Abu 'Abbas in Italy or trying to gain his extradition from Yugoslavia. The American constitution, first, does not allow the arrest of any person charged with a misdemeanor or a felony without an indictment and, second, does not give the executive the right to determine punishment but rather the right to carry it out after it is set by the court.

This is unless the American president has chosen to take over both the executive and judicial powers in order to do away with the principle of the separation of powers which the American people hold sacred. Some Americans have wondered about this strong indignation over the disappearance or death of a single American while the October 1983 incident in Beirut, which claimed the lives of 250 US marines, was swept under the rug. Is it because the American president often, or sometimes, feels a personal need to mete out abuse in double or multiple measures whenever necessary?

I would like to say in the interest of truth and posterity and out of my love and esteem for the great American people who have, during World War II, sacrificed much for the triumph of democracy, that all the friends of the United States, in Europe and the Americas, in Asia and Africa, were greatly disappointed in the United States because of the hijacking of and the attempted assault on the Egyptian civilian airliner, which is considered Egyptian territory. They were also disappointed in it because of the illegal provocative measures some American forces used, while on Italian soil, to humiliate Italy when both Egypt and Italy, by any standard, are two countries friendly to the United States. Beyond such disappointment, some people affirmed that had the airliner carrying the "Achille Lauro" hijackers belonged to a country hostile to the United States and had the territory where it was forced to land been anti-American, the American administration would not have dared to undertake all or some of the immoral and, indeed, illegal acts of violence.

Pursuant to my article last week and out of my love for the American people, I say that we who deal closely or from a distance with the Americans have definite proof that the American administration has no desire to deal with friends and partners. It does not trust them and is always afraid of them. It enjoys stabbing them constantly and seems to prefer to punish its partners at the expense of the American people.

I do not know why the American administration always reminded me of the World War II profiteer who, having amassed his huge wealth from dealing with Allied troops, imagined that he could buy anything with his money: he could buy hearts and he could buy souls. He was under the delusion that the whole world was "money and nothing but money" and that anyone could be bought with money. He, this war profiteer, finally discovered that he could not buy anyone or anything. All he could do was to sell his soul without being able to retrieve it.

I remember that over 2 years ago an Arab-American professor, who has done some valuable work on the Middle East and the Palestinian cause in particular, paid me a visit to exchange some open and candid views. One of the things I said to him, and he did not get angry or indignant but asked for more, was this: "Your biggest mistake in the United States is that you rely on the opinions of your agents without seeking the truth yourselves and you choose your agents usually from among unethical and unprincipled elements who are despised by their people. These agents always make you afraid of dealing with the people when such dealings are better, more lasting, and more beneficial for them and for you. You, and forgive me, my dear professor, for saying so, do not appreciate the dues of friendship--'those who cover themselves with you are actually naked,' as the Egyptian saying goes! Often you are bitten by the 'one-eyed syndrome.' You only see with one eye which is often diseased. A case in point is your attitude toward the Middle East. You can only see things through Israeli eyes and these eyes never think of your interests. They only think of Israeli interests and nothing else. You prefer the friendship of 3 million Israelis to that of 150 million Arabs and, indeed, 1 billion Muslims. Furthermore, and believe me when I say that you do not stick to one opinion on any one issue, you demanded, for instance, mutual and simultaneous recognition between Israel and the PLO only to renege on this demand and ask that the Palestinians recognize Israel in advance without Israeli recognition of a Palestinian state. This is prejudice at its worst against the Palestinian cause. A few years ago you supported an international conference to solve the Palestinian question, but you turn around today to oppose the participation on one of the two superpowers, the USSR, in it. Moreover, you are without friends. You created the Chiang Kai-shek regime and spend a great deal of the taxpayers' money to support and protect it although you knew it was a satanic regime. Nevertheless, you threw it out into the cold following the first table tennis match between you and the People's Republic of China. In Vietnam you created the Nguyen Diem regime and fought a bitter war which cost you thousands of lives to keep it, only to abandon it in a trice. The shah of Iran was your closest ally in the Middle East and his worse crime in the eyes of his people was that he threw himself into your arms. But you encouraged Khomeini, and I do not know why, and used to carry cassettes of his speeches against the shah in Tehran inside your diplomats' attache cases. Former Attorney General Clark held talks with Khomeini in Paris to turn over the rule to him while the shah was in Tehran getting ready, on your precious advice, to leave temporarily. What is more, you sold his cancer-ridden body to save a few hundred million dollars, thus reaffirming once and again that the one who covers himself with you is always and forever naked, naked."

What I would like to say today, as an Egyptian and a patriot who believes that his country must not take sides with East or West, that you can never find a people as loyal and as grateful to their friends as the Egyptian people. You will never find a people as proud as the Egyptian people. Their dignity and national pride are as inviolable as their honor. Egypt has always been and will always be in control of its destiny and cannot be bought either with money or with arms. So accept it on this basis, the basis of participation, not subordination.

12502/12947  
CSO: 4504/91

EGYPT

DAILY VIEWS NEGATIVE ASPECTS OF ISRAELI TOURISM

PM191534 Cairo AL-JUMHURIYAH in Arabic 10 Nov 85 p 5

[Article by Muhammad al-Hayawan: "A Word of Love"]

[Text] Jewish tourists have not stopped coming to Egypt and never will because, first, Egypt is much cheaper than Israel and, second, Egypt is much cleaner than Israel. Regardless of the Alexandria sewage leaks and what has been said about water pollution, Jewish tourists have not stopped coming to Egypt. In fact more and more of them are coming. The hotels where they go are well known. Egyptians avoid going to these hotels because they do not want to come into contact with the Jewish tourists.

Jewish tourists come to Egypt not only because it is cheaper and cleaner than Israel. They have other motives. They gather information, smuggle currency, gold, and narcotics, and they try to corrupt society. They persist in their heavy presence everywhere throughout the depth of society. They imagine that they can fool the good simple people but they are wrong, because the Egyptian people there in the inner cities know their duty.

Jewish tourists have not stopped coming to Egypt. We wish they would stop because they do not give Egypt an additional income. They buy nothing and they pay nothing. Some of them even take from Egypt without giving anything in return. That is a Jewish custom. As far as they are concerned money should only go their way. Their money is nowhere to be seen, not even on occasions. Some of them are businessmen who pay for their Egyptian visits from the profits they make. Some of them corrupt young people and go back with the dividends they get for doing that. Such groups are to be found in the bars of Cairo and Alexandria picking up drunken people of all nationalities. The Jewish faith allows Jews to help themselves to the fortunes of people of other religions in any way they can, including dishonest and illegal ways. They consider immoral work for Muslim money to be permissible and right, and even a kind of struggle for the people of Israel.

If we want to consider increasing Egypt's tourist industry revenue then we should completely disregard the Israeli tourists because instead of constituting material gain for Egypt they constitute a material loss and a detriment to the national security. They add nothing to Egypt's national economy. Our interest must above all be in Arab tourists and then in countries such as Japan and West Germany, which are renowned for the great numbers of tourists they send to other countries.

/12766

CSO: 4500/38

EGYPT

BRIEFS

ENERGY COOPERATION WITH HUNGARY--Cairo, 28 Nov (MENA)--Egypt and Hungary signed an agreement for technical cooperation in the field of electricity here today. According to Eng Muhammad Mahir Abazah, Egypt's minister of electricity and energy, the agreement provides for cooperation in exchanging expertise and technical research and in establishing joint ventures to produce electrical equipment in Egypt. The accord also makes provision for both states to collaborate in setting up energy-related projects in third countries. [Excerpts] [Cairo MENA in Arabic 1500 GMT 28 Nov 85 NC]/12766

CSO: 4500/38

## CITIZENS' RIGHTS MOVEMENT PROFILED

Jerusalem THE JERUSALFM POST in English 29 Nov 85 p 5

[Text]

IT STANDS TO reason that most of the guests at a coming-of-age party would be youthful. So it was at the first convention of the new-look Citizens Rights Movement (CRM) held at the Beit Berl labour movement college last weekend.

It was enough to look at the faces of the 450-odd participants in the convention to discern the difference between the CRM and its ideological antecedents, the Labour Party and Mapam.

Gatherings of the latter are dominated by a generation of functionaries, moulded by years of party service. The CRM turnout resembled a reunion of campus activists, not too many years on. The faces were mainly young, enthusiastic and still hopeful.

CRM Secretary-General Dedi Zuker announced with pride that fully one-quarter of the members of the party's governing bodies were new recruits – people who had not been active in politics at the time of the last Knesset elections, less than 1½ years ago.

Their influence was readily apparent, both in the vigour and in the naivete of their involvement. Few political organizations in Israel spend as much of their time debating whether they are a movement or a party.

The CRM has come a long way since it was first launched by MK Shulamit Aloni in 1973 as a feminist and anti-religious mouthpiece. Feminism has fallen by the wayside and the opposition to religious coercion has become, as Aloni herself said in her powerful opening address, an issue central to the character of the state, rather than the knee-jerk reaction of old-time liberals.

FOR MOST OF its life, the CRM was represented in the Knesset by Aloni alone, more a splinter group of the Labour Party than a distinct political entity.

The CRM's image was liberal, bourgeois and Ashkenazi; a tiny faction standing to the right of the labour movement socialists – to the right, even, in socio-economic terms, of the emerging populists in the Likud. A pressure group with little support and less influence.

But times have changed and the liberal-left sector of the political spectrum has depopulated rapidly as the electorate moved rightwards, followed post-haste by the Labour Party.

The new CRM's real coming of age was Aloni's defiant statement at the conference that "we are a party of the left – and we should not be afraid to say it."

Today's CRM has several, not entirely harmonious, components. There are the die-hards of Aloni's "historical CRM" – liberals, secularists and humanists.

Then, there are the academics of the amorphous "Group of 100," the yuppies who first got bloodied with Peace Now, and former Labour Party members who joined with Yossi Sarid – all dovish and most social-democratic in outlook.

Finally, there are the hardened, Zionist socialists of Sheli who joined the movement before last year's Knesset elections after years of debilitating in-fighting on the left.

It is not a homogeneous party (or movement, as some would have it) and serious differences can be anticipated between its various components on points of dogma.

But today, for the first time, it is truly representative of the democratic, Zionist left, from liberals through social-democrats to socialists. As such, it could prove to be (and this is certainly the intention) the rallying point for a wider Zionist coalition to the left of the Labour Party.

THE CONVENTION was preceded by a year of hectic organizing. A membership drive was launched and a census of members taken, voluntary activities were mobilized and branches opened in some 30 towns and cities around the country.

The party's governing bodies – a 50-member secretariat and a 150-member council – were elected only days before the council.

Zuker can be rightly proud of his organizational achievements in little over a year (one sign of which was the party's clearing of the 2 per cent minimum vote hurdle in the Knesset elections last July).

Yet, the CRM still has a long way to go before it can claim to have made inroads into all sectors of the population. The conventioners were mainly Ashkenazi, mainly upwardly-mobile.

The party has still to capture the imagination of Sephardim and workers, as shown by the absence of branch offices in many development towns and the tenuous existence of those in places such as Ashkelon, Ashdod and Eilat.

The pangs of growing up and getting established, as well as the different interests and approaches of the party's components, have given rise to a debate over whether the CRM is a party or a movement. In the eyes of many activists, the former is characterized by organizational sclerosis, political compromise and leadership from the top, while the latter is spontaneous, dynamic and easy to identify with.

But parties win votes and exert influence; movements organize demonstrations.

The solution, on paper at least, is a party with the best characteristics of a movement. Grassroots, political action is to be encouraged, organization is to be decentralized and access to the party's governing bodies is to be open to all on the basis of ability, not service.

It is a solution that will not be easy to implement and the argument over the CRM's organizational structure is bound to continue.

LIKE ITS organization, the CRM's programme is still in a state of flux. Position papers worked out by party leaders and put to debate at the convention elicited both wide consensus and sharp disagreements.

There was little argument with the political and geo-political positions forcefully presented by Aloni in her opening address. The CRM stands for self-determination for the Palestinian people and full civil rights for all.

Most of the speakers in the geo-political debates appeared to support negotiations with the PLO (under certain conditions) and the establishment of a Palestinian state.

The opposing faction is led by MK Ran Cohen, leader of the party's Histadrut faction. In economic terms, Cohen and Bar-On are light years apart, believing strongly in state ownership, worker participation in management and all other features of a socialist economy.

In joining the CRM last year, Cohen had finally come in from the cold, after years of splits and feuds in the netherworld of the far (but still Zionist) left. It will be interesting to see how he fits in with the bourgeois, liberal core of the historic CRM.

Ironically, the seeming naivete and inexperience of the party rank and file is counter-balanced by the political savvy of the CRM's Knesset representatives. Of the four, Bar-On is the only relative newcomer to the rough-and-tumble of party politics. Cohen is a tough political fighter.

On the issue of religion and the state, as well, Aloni appeared to speak for the vast majority of those present when she said that the time had come to stop offering concessions to the religious party, lest the state turn into an "armed theocracy."

It is no longer a question of individual freedoms alone, she stated. The spread of "religious primitivism" is threatening the very existence of the state.

Both Aloni and former Labour maverick Sarid traced a direct line between the occupation of the West Bank and Gaza, religious fanaticism and present-day racism.

"The roots of all the country's racism and hatred lie in the occupation, which must be ended," Sarid thundered at Prime Minister Peres, who was the guest of honour at the convention. Sarid's vehement statement elicited loud, and seemingly unanimous, applause.

THERE WAS no such consensus when it came to socio-economic issues, however. A paper on economic policy prepared by MK Mordechai Bar-On was roundly rejected by the ex-Sheli delegates who participated in the economic workshop.

As Bar-On himself later pointed out, the CRM roughly divides into two groups over economic policy: those who accept the basic mixed structure of the economy, while disagreeing with the government on details, and those who are ideologically opposed to the structure itself.

Bar-On, the party's representative on the Knesset Economic Committee, belongs to the former group. His paper, which will undoubtedly go through substantial rewriting before it becomes policy, was a classic of mild capitalism-with-a-heart.

Sarid was a long-time political henchman (some say hatchetman) for Shimon Peres before joining the CRM upon the establishment of the coalition government with the Likud. He brought to the party a wealth of backroom knowledge and experience and an unerring nose for the political opportunity.

ABOVE ALL, there is Shulamit Aloni, the movement's founder and still its leader and guiding spirit. Few politicians speak as clearly for the organizations they lead, and fewer are as clearly identifiable in the structures they have established. That is both an advantage and a drawback.

There are those who say that Aloni has been unable to kick the one-woman-faction habit, and certainly the solicitousness of her acolytes at the convention did not resemble the give-and-take of mature political dialogue.

But Aloni is not alone now and in Cohen, Sarid, Zuker and the rest she has partners as canny and capable as she. Certainly, the CRM has within it the potential to degenerate into a clutch of squabbling primadonnas. But it just as surely has the capacity to give new life and direction to the scattered and disheartened forces of the left in Israel.

The CRM's natural ally on the left is Mapam, today little more than a shadow of the party it once was. On paper, they make a perfect match. The CRM has the youth, the vigour and the potential support, while Mapam has the economic muscle and the assets of Kibbutz Artzi.

In practice however, there are many obstacles on the way to the union. The Mapam old-timers dislike the ideological laxity of the CRM upstart, while many members of the latter see little advantage in joining with a dinosaur that appears to be well on the way to extinction.

Exploratory talks between the two have been underway, with stops and starts, ever since the Knesset elections. Senior CRM sources say that most of the objections from their side have been ironed out and the obstacles now lie on Mapam's side of the fence.

Significantly, no Mapam delegation was invited to the convention, though former Mapam leader MK Victor Shemtov attended in his personal capacity.

It is difficult to know what to read into what many Mapam people have interpreted as a snub. Possibly, the CRM feels confident enough to go ahead on its own as the vanguard of the left. That, certainly, was the impression left by last week's convention.

/12379  
CSO: 4400/62

## NATURAL GAS USE SURVEYED

Dubayy KHALEEJ TIMES in English 2 Dec 85 National Day Supplement pp 24-25

Article by Hsieh Kim Suan: "Gas New Element in GNP"

Text

NO LONGER flared and wasted away as an incidental by-product in oil extraction, natural gas has now been firmly put to maximum utilisation, adding substantially to the country's GNP.

Concerted efforts are even being made to find ways of preserving excess gas as a conservation measure. The UAE had been estimated to have 3,150 billion cubic metres of natural gas, the second largest reserve among member-states of the Arab Gulf Cooperation Council.

Abu Dhabi National Oil Company (Adnoc) reported that their overall gas utilisation from their onshore and offshore fields was around 92 per cent last year. Adnoc's fields produced in 1984 an average of 1,058 million cubic feet a day (mcfd) compared to 926 mcfd the previous year.

Of the utilised amount, 270 mcfd were supplied to the Abu Dhabi Water and Electricity Department, Umm Al Nar Refinery, the salt and chlorine plant, Ruwais Refinery, Fertil fertiliser plant and Ruwais utilities.

The main volume was processed at the two gas processing plants which recovered a total of four million barrels of condensate over the period. The gas processing capacity was expanded last year with the addition in April-May of a 450 mcfd capacity "Thamama C" plant; the first plant in a 250 mcfd "Thamama F" plant.

Adnoc has been active in gas processing and in the development of natural gas resources in the emirate. A number of downstream gas processing plants were set up to fully utilise associated gas, 80 per cent of

which was flared prior to 1976. It set up Abu Dhabi gas Liquefaction Company (Adgas) in 1973 to operate a liquefied natural gas plant on Das Island which came onstream in 1977. This was followed by the setting up of Abu Dhabi Gas Industries Limited (Gasco) which now operates three plants, located at the Bu Hasa, Bab and Asab onshore oil fields, gathering and processing 750 mcfd of associated gas and extracting 28,600 cubic metres a day of natural gas liquids (NGL).

The NGL is pumped through a pipeline network to the fractionation plant at Ruwais to produce 1,220,000 mt/y of propane, 1,410,000 mt/y of butane and 2,120,000 mt/y of natural petrol which are mainly for export.

One of Adnoc's downstream projects is Fertil. A fertiliser plant, it is designed to use onshore natural gas as feedstock to produce 1,000 mt/d of ammonia and 1,500 mt/d of urea.

Adnoc earlier this year exported its first consignment of sulphur-14,000 tons of it. Sulphur is produced at the company's gas treatment plant at Habshan which is designed to process 450 million cubic feet of gas a day.

Adnoc invested in two gas compressors for natural gas re-injection in February this year. Driven by 30,00 horsepower gas turbines, each compressor can compress 3.9 million cubic metres of gas a day to 460kg cm<sup>2</sup>.

Re-injection is used to conserve natural gas resources. Dubai has also turned to the process to conserve its natural gas resources as well as to speed up the recovery of liquids in the Margham Field.

The gas condensate is processed at the field's gas separation plant with a design capacity to process 320 million cubic feet of gas a day to an average recovery of 25,000 bpd. The resultant gas which is unused is re-injected for future extraction.

Dubai's main gas complex is Dugas which underwent a major expansion programme which was completed in October 1984. The massive expansion cost \$125-140 million and aimed at obtaining 40 per cent butane and about 80 per cent natural gas liquid. Overall, the expansion increased Dugas' capacity by at least 50 per cent.

Dugas gas recovery plant at Jebel Ali is expected to reach a production record of 500,000 to 600,000 tonnes of gas products this year, 95 per cent of which is exported to Japan under a five-year contract.

The rest of Dugas' output is consumed by Dubai Aluminium Company and Dubai Electricity Company plants. The supply meets about 90 per cent of the fuel needs of the former and about five per cent of the latter.

Dugas' plant is being supplied gas from Rashid, Fatch and Southwest Fateh fields. From January next year, it will be fed an additional 70 million cubic feet, piped in from Sharjah's Sajaa field where gas production has reached 600 million cubic feet. Dugas will process the natural gas into dry gas to fuel the power plants of Dubai Electricity Company. Work on the Dh92 million, 7km gas pipeline

had already been completed to its 50th km by the middle of last month.

The gas deal between the two emirates reflects intensified inter-emirate efforts to best develop the natural resources of the country.

A portion of the Sajaa gas is being used by the Emirates General Petroleum Corporation to fuel its power plants in the Northern Emirates. The corporation is using about 80 to 90 million cubic feet a day; this would be increased when a gas pipeline to the Umm Al Quwain power plant is completed.

The main user of Sajaa gas next year would be the liquefied petroleum gas (LPG) plant now under construction at the field. This plant will have the capacity to produce 400,000 tons of butane and propane a year and 230,000 tons a year of light oil from 440 million cubic feet of gas daily. A storage facility and shipping terminal are concurrently under construction in Hamriyah.

Meanwhile Sharjah is negotiating with potential investors to set up downstream gas industries. One is a 1,000 ton a day ammonia and urea plant and the other a 500,000-ton a year methanol complex both using Sajaa gas as feedstock.

The emirates are determined to make most of their gas resources. Even newcomer oil producer, Ras Al Khaimah, has found use for its associated gas from its offshore Saleh Field—it is now used to fuel the factories in Khor Khuwair industrial area.

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CSO: 4400/66

UNITED ARAB EMIRATES

INCREASE IN DOWNSTREAM PROJECTS

Dubayy KHALEEJ TIMES in English 2 Dec 85 National Day Supplement pp 21-24

Article by Hsieh Kim Suan: "Downstream Ventures Multiply"

Text EARNING the country 95 per cent of her total revenue, the UAE's petroleum industry has developed to a level far removed from the day—January 19, 1936—when the first oil agreement was signed between Abu Dhabi and Petroleum Development of Trucial Coast Limited.

From just granting concession rights to foreign oil companies, the UAE has moved into sophisticated, high-technology downstream activities in the industry. The country is expected to produce a record 41.4 million tons of petroleum products by the end of this year.

Last year the country's only two refineries produced seven metric tons of petroleum products, using on average 149,000 barrels of crude a day (BPD). About two million tons of the production were used locally and the rest was exported.

As the country celebrates 15th National Day, inroads are being made into untapped areas of the industry.

In Abu Dhabi, the largest oil producing emirate, producing between 65 and 75 per cent of the UAE's one million BPD quota allocated by Opec, the government agency Abu Dhabi National Oil Company (Adnoc) is looking into manufacturing lubricating oil and tar from the by-products of its refineries.

According to reports, the project is expected to have an initial capacity of 200,000 tons per year while the production of tar would be in the vicinity of 100,000 tons. Such an amount is not only expected to meet the national needs but also that of the neighbouring states. The project is being carefully evaluated for its commercial viability.

Last month, Adnoc's hydrocracker unit at Ruwais came on stream. The plant, whose construction began in 1982, upgrades the atmospheric residues of the refineries into light and middle distillates such as naphtha, kerosene, high octane petrol, LPG and diesel.

The hydrocracker complex consists of six units including a vacuum distillation unit with a capacity of 46,000 bpd, hydrogen production unit of 53 million cubic feet capacity, vacuum gas oil hydrocracking unit with a capacity of 27,000 bpd, sour water stripper at 26.5 cubic metre per hour, acid gas removal unit at 9,500 cubic feet per hour and sulphur recovery unit at 49 tons per day.

Adnoc is also planning to increase the capacity of the Ruwais Refinery to 300,000 bpd from the present 120,000 bpd. The company is gearing up to meet additional aviation fuel needs in the country when the airports now under construction in Al Ain and Fujairah open to traffic within the next three years.

Earlier in the year, its production of aviation fuel as compared to other products had been stepped up. The two refineries produce about eight different qualities of fuel. The Umm Al Nar Refinery whose production was increased from 15,000 bpd to 75,000 bpd is likely to provide the larger quantity of aviation fuel to the two airports.

Efforts are also being made to expand the crude output. Adnoc has an ambitious five-year programme to increase the output of its field in Bu Hasa. An increase of 500,000 bpd has been envisaged.

During the five-year period, nearly 212 wells will be treated and water injection projects would be launched. It is expected that all the producing wells in the field would be covered. During the first phase of the project, a vast network of pipelines will be laid out to carry the crude coming in from different wells to the gathering station.

The second phase will be devoted mainly to improving the process of separating oil and gas. It is believed that by controlling the output of accompanied gas, it would be possible to improve the quality of crude. Sophisticated equipment would thus be used for better separation process.

Last year, Adnoc's wholly owned subsidiary, National Drilling Company, drilled about 400,000 feet, using 12 rigs. Over a hundred wells were worked on and they include 34 development wells and 15 exploratory wells. NDC has developed to the stage of being able to now take on contracts beyond the country's borders.

Another arm of Adnoc, (of which it is 50 per cent partner), International Petroleum Investment Company (IPIC) plans to invest in refining and petroleum distribution networks abroad. It would provide Adnoc with access to new outlets for its crude as well as petroleum products. IPIC will initially concentrate on the downstream side

of the business and look at investing in refineries and distribution networks in Europe, North America or the Far East.

In Dubai, exploration activities are at a record level. Nine oil companies are working over 10,000 sq.km of onshore and offshore concession areas. Dubai Petroleum Company noted in its annual review that exploration continued to be of prime importance in its drilling programme.

DPC last year drilled 21 new development wells and worked over 10 of its existing wells in the four oilfields it operates in concessions offshore Dubai.

Five of the new wells were drilled in Fatch, the biggest and oldest of the DPC fields; it has been continuously developed since discovery in 1966.

Seven new wells were drilled in Southwest Fatch where a production platform was installed last year along with a new Central Production Facility platform. This platform, which was expected to become operational this year, will not contain any wells but will serve as a riser to collect and process future production from other platforms in the field.

Until last year, Dubai's oilfields were all offshore. Its first onshore field, Margham, was inaugurated in December last year. The plant at the field processes 25,000 bpd of condensate, and takes the oil production of Dubai up to 400,000 bpd.

The huge plant consists of a gas processing unit, gas reinjection system, utility offices, pipeline to Jebel Ali and tanker loading facility. The plant has two 35,000 horsepower compressors, used to reinject gas into the oil reservoir. The reinjection not only helps maintain the necessary pressure on the reservoir, but also preserves the gas for future use.

At present only condensate is being extracted from the wet gas drawn from nine of the 12 wells, the remaining three being used for reinjection.

In downstream industries, a lubricant oil plant is being set up by a private oil company, BP Arabian Agencies. It is estimated to cost \$12 million and is expected to be completed by the end of 1986. It will produce the full range of automotive and industrial lubricants. The plant is to have a capacity of 20,000 tonnes per single shift and be located in the Jebel Ali Port zone.

In Sharjah, exploratory drilling is also being extensively carried out. The emirate opened up a new structure to the west of the present onshore field, Sajaa. Drilling here started at the end of last year and by August this year three wildcat wells had been drilled but all in vain. The exploration follows a 400km seismic survey done last year.

The Sajaa field is now producing 60,000 bpd of condensate from 500 million cubic feet of gas. The production comes from 15 wells, 14 of which are at Sajaa and the 15th at Mouwee.

Sajaa, which is estimated to have reserves of over seven trillion cubic feet of gas, has been developed at a rapid pace since its discovery in December 1980. Its gas processing facility was set up in June 1982.

There is also active search for new reserves offshore. Production from the Mubarak Offshore Field, discovered in 1972, has declined substantially from a peak of 51,000 bpd to around 10,000 bpd last year.

Ras Al Khaimah joined the oil producer wagon only two years ago. The emirate is producing between 30,000 bpd and 50,000 bpd. Looking to increase its output, RAK is launching an extensive drilling programme. A new

exploratory well is being drilled under this stepped up search for more oil; by mid-November, the drilling had been completed to more than a third of the depth planned.

Most of the wells in the Saleh Field in RAK have produced oil at depths between 10,000 and 15,000 feet. Saleh now has four production wells.

The emirate's oil interests are being looked after by the government oil agency, Ras Al Khaimah National Oil Company.

Elsewhere in the UAE, the search for oil in commercial quantities goes on. Seismic tests conducted offshore Fujairah have indicated the presence of reserves of up to 250 million barrels. Drilling of the first exploratory well here is likely to start in the first quarter of next year.

Seismic tests in Umm Al Quwain have also shown promise. The emirate granted a 60,000 hectare concession in the south of the emirate to an American oil company in mid-November last year; and a 170,000 hectare concession onshore to three other firms about four months before that.

UAQ is now about to start drilling in the onshore concession. Target depth is to be in the region of 15,000 feet to test the Thama zone.

In Ajman, the focus is now on setting up a used 100,000 bpd capacity refinery. This \$400 million project involves dismantling a mothballed refinery in Milford Haven, Wales, shipping the com-

ponents over and re-erecting the complex in Ajman. The project has already been delayed once—when the original investors could not find the financing. A new company, Ajman Refinery Company Limited (Arcol), has taken over the project.

At the national level, the Oil Ministry is planning on building up an emergency oil stockpile. The ministry undertook a study of the multi-million-dollar plan last year. It would provide the country with enough oil and oil products for at least 45 days in an emergency.

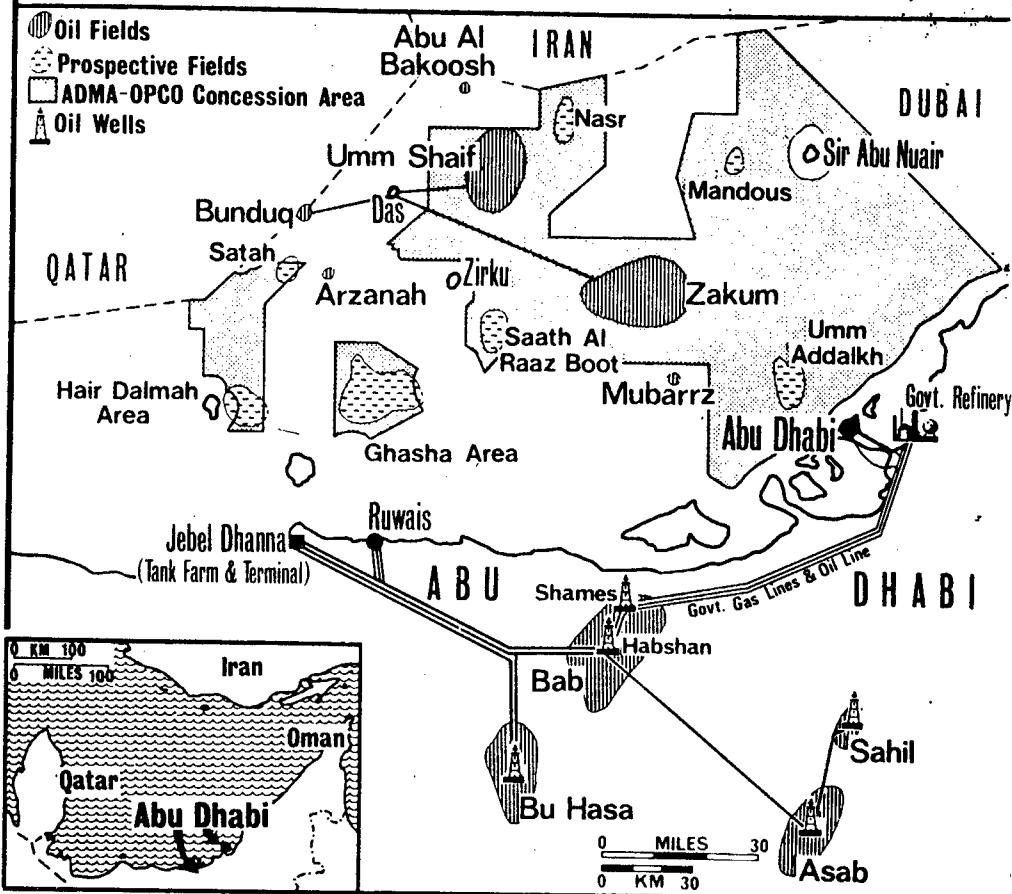
The plan calls for a permanent committee to be set up with full powers over storage, administration and distribution of oil during an emergency. It also suggested that the necessary facilities and pipe network be set up.

Such a network would link Abu Dhabi's two refineries by a 225km pipeline. From the storage tanks at Umm Al Nar, another pipeline would run 95km to Jebel Ali in Dubai. This, would be connected via a central storage area to other areas in the Northern Emirates.

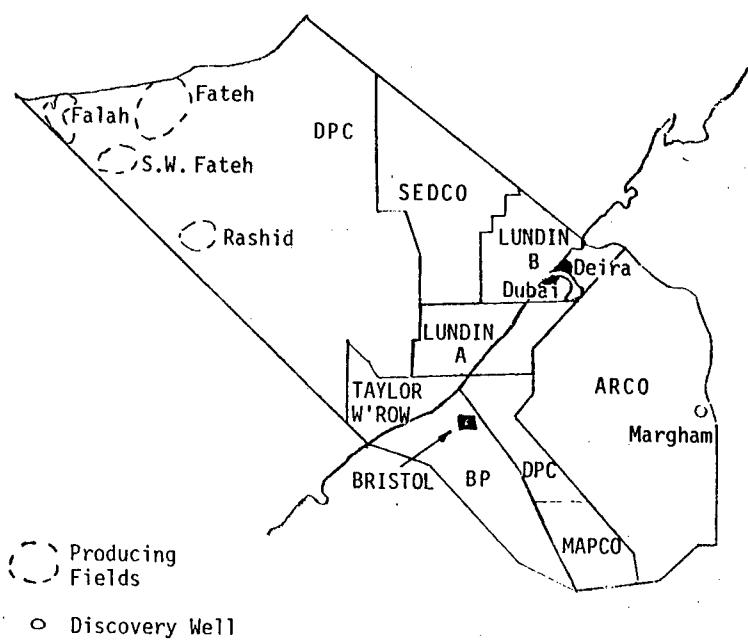
According to the ministry study, by 1986 the country would need 47 million gallons of petrol, kerosene, gas oil and fuel oil for a 45-day emergency.

The UAE petroleum reserves are estimated at 32.4 billion barrels which at the current rate of extraction would last 72 years. It also places the country as the seventh among the countries having the world's largest oil reserves.

# ABU DHABI'S OIL FIELDS



OUTLINE OF CURRENT DUBAI CONCESSIONS



/12851  
CSO: 4400/66

## POLL SHOWS ELECTORATE PLEASED WITH RAJIV GANDHI

Calcutta THE TELEGRAPH in English 31 Oct 85 p 1.

[Text]

**A**fter one year in power, Rajiv Gandhi has become the rare politician who has lived up to the people's expectations. And his biggest achievement, say the people, is the Punjab accord. This is the finding of an opinion poll conducted for The Telegraph by Mode among 1050 residents of the five cities of Delhi, Calcutta, Bombay, Madras and Guwahati in the third week of October.

The poll, which was conducted among a wide cross section of men and women from varying income groups, indicated that 77 per cent considered his performance to be either equal to or above their expectations. What is even more significant is that a majority of those living in the four cities of Delhi, Bombay, Madras and Guwahati taken together consider his performance to be better than even Mrs Indira Gandhi's. It is only in Calcutta that his rating vis-a-vis Mrs Gandhi plummets, thus taking his overall score on this count to 45 per cent (those who rate his performance higher than Mrs Gandhi's).

**Major achievement:** Mr Gandhi's high performance rating has been made possible by, more than anything else, the Punjab accord. Almost everywhere that is considered to be his greatest achievement, with the exception of Guwahati which perhaps naturally considers the Assam accord to be

the brightest feather in his cap. This finding is reinforced by the corollary that people are hard put to pinpoint his failures. This is true in all cities with the exception of Calcutta where about one-fifth of those interviewed considered the Assam accord to be his greatest failure.

What are the personal attributes that have enabled Mr Gandhi to turn in such a fine performance? We asked voters to rate him on the various qualities that go to make a leader and found that in overall terms his personal abilities are placed almost as high as those of Mrs Gandhi who ruled India for nearly 20 years. On a scale of 100 Mr Gandhi scores a fraction short of 80 in overall terms and Mrs Gandhi a fraction more than 80.

**Mr Clean retains image:** Mr Gandhi, who entered politics with the image of 'Mr Clean,' still retains that image: this is one point on which he scores higher than Mrs Gandhi. On all other counts he is a little behind her with the gap being more pronounced on attributes like 'political wisdom,' 'popularity abroad' and 'standing among world leaders.'

Those interviewed were also asked for their opinion on Mr Gandhi's performance in certain specific areas. He gets very high marks for his handling of the Punjab and Assam

problems as also of his management of Centre-state relations. On the Punjab problem, as many as 84 per cent are pleased with his performance and a good 63 per cent consider it to be better than Mrs Gandhi's. It is almost the same story with the Assam problem, with the exception that Calcutta has a rather poor opinion of him on this score. A good 68 per cent are pleased with his handling of Centre-state relations but on this issue he is quite far behind Mrs Gandhi (again mainly due to a poor score in Calcutta).

On the Prime Minister's management of economic affairs, a majority of those questioned were happy with his efforts to promote the growth of both the public and the private sectors, though more people were happy for what he has done for the private sector. They are also happy with the steps that he has taken to do away with licences and controls but on all these counts he scores way below Mrs Gandhi. The one point on which a majority are not happy with his performance is his efforts to remove poverty and

naturally Mrs Gandhi's lead over him on this point is the greatest, with only 22 per cent considering his record to be better than hers.

**Free enterprise:** All this does not mean that people think he is taking the country on the road to capitalism, though they do feel that he is laying more emphasis on the private sector. Two oft-repeated charges against him are that his style is more suited to running a company than a government and his policies are too urban oriented. He has been substantially able to live down the former charge (71 per cent do not subscribe to it) but about half of the respondents go along with the latter.

On his management of India's relations with its neighbours, a clear majority is happy with his performance in relation to Pakistan, Sri Lanka and Bangladesh but a good three-fourths rate Mrs Gandhi's abilities in this sphere better than his. Most also think that he has been able to improve India's image abroad but here again the majority opinion is that Mrs Gandhi was much better at the job.

/9317

CSO: 4600/1159

INDIA

ALLEGED U.S. 'PLOY' TO MAKE INDIA SIGN NPT FAILS

Calcutta THE STATESMAN in English 6 Nov 85 p 13

[Text] Washington, Nov 5--It may be called "the ploy that failed." The result in Washington is bitterness and finger-pointing though there is no indication of self-analysis, reports PTI.

First the Washington Times attacked Mr Rajiv Gandhi for going to Moscow and for not accepting the U.S.-Pakistani proposal for a regional nuclear arrangement. Now the Wall Street Journal has come up with a similar article.

According to diplomatic observers here, the Reagan Administration, some time after the Prime Minister's visit to Washington, reached a consensus that perhaps Mr Gandhi, because of his anxiety to solve internal problems, would be more amenable to pressure on the Nuclear Non-Proliferation Treaty and other issues than Indira Gandhi.

The USA had two problems. One was to keep cultivating the Pakistanis who alone could give sanctuary, bases and training facilities to the Afghan guerrillas seeking to overthrow the Marxist Government. The second was to keep improving relations with India.

The USA had never forgiven India for not signing the Nuclear Non-Proliferation Pact or defying the fullscope safeguards which the U.S. Congress had sought unilaterally to impose even at the risk of failing to fulfil its obligations under the Tarapur agreement.

It struck some policymakers well-versed in realpolitik that the Pakistani progress towards acquiring a nuclear weapon provided a golden opportunity of killing two birds with one stone--using U.S. aid to restrain the Pakistanis, and using the Pakistani threat of acquiring nuclear weapons to blackmail India into accepting full-scope safeguards or mutual inspection with Pakistan.

The ploy failed during the Armacost-Fortier mission but the protagonists managed to sell the idea to President Reagan, arguing that this could be quid pro quo for high tech supplies to India.

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CSO: 4600/1171

TIWARI TALKS WITH VISITING FRG INDUSTRIALISTS

Calcutta THE STATESMAN in English 5 Nov 85 p 16

[Text] New Delhi, Nov 4--The Union Minister for Industry, Mr N.D. Tiwari, today told a high-level delegation of the Federation of German Industries the major steps India proposed to take in the coming year in different economic sectors and it looked for new technologies in new areas and would welcome new linkages.

Mr Tiwari said the new economic policies, particularly towards liberalization of import of technology and foreign capital provided excellent opportunities for the Federal Republic of Germany for a reappraisal of "New India" as an industrial partner.

The Minister made specific reference to the broad-banding of the industry, de-licensing and the "unique" electronics policy with a production target of \$8 billion by 1990 and a three-year foreign trade policy with "liberalization" as the watchword.

Mr Tiwari also referred to the thrust areas, such as process plant, bio-technology, energy conservation, agro-industries and consumer durables. He felt that institutional links should be built between the industries of the two countries so as to facilitate a longterm partnership.

Welcoming the FRG delegation, Mr Prem Kumar, Commerce Secretary, highlighted the development in Indo-FRG bilateral trade which constituted over 25% of India's trade with the EEC. He further pointed out the various opportunities open for the FRG industries in view of the liberalization and flexibility which had been built into the Indian economic policies, such as setting up of export processing zones, "which provide scope for utilizing both the geographical location of India and the highly trained skilled manpower that we offer."

In the course of the discussions, in which representatives of the Government and industry participated, issues such as India's track record of royalty payment, scope for investment in chemical projects, the new opportunities for joint ventures in the mining machinery field and the new features of the computer, electronics and telecommunication policies were pointedly mentioned. The Indian side referred to the scope for third country projects.

Such cooperation, it was emphasized, would enable a long-term relationship to be built up.

#### Indo-GDR Trade

PTI adds: The plenary session of the sixth Indo-GDR Joint Commission for Economic, Technical and Scientific Cooperation opened in New Delhi today, with a call by the Union Industry Minister, Mr N.D. Tiwari, to expand cooperation between India and the GDR in third countries.

Mr Tiwari told a 25-member GDR delegation led by the Foreign Trade Minister, Mr H. Soelle, that the present level of this type of cooperation was not commensurate with the potential that existed for such tie-ups.

He suggested that GDR enterprises could consider setting up industries in India under the export oriented scheme, whereby a minimum of 75% products were exported and remaining used for internal consumption.

/9317  
CSO: 4600/1168

PALESTINIAN GROUP SEEKS GANDHI'S HELP TO UNITE PLO

New Delhi PATRIOT in English 4 Nov 85 p 1

[Text]

Damascus, Nov 3 (PTI) — A top Palestinian leader today appealed to Prime Minister Rajiv Gandhi to help in resolving the differences between the factions forming the Palestine Liberation Organization (PLO), and reuniting it.

The appeal was made by Mr Nayef Hawatmeh, the leader of the Democratic Front for the Liberation of Palestine (DFLP) — the second largest Palestinian guerilla group in the PLO in an exclusive interview to PTI here.

Mr Hawatmeh requested Mr Rajiv Gandhi, as chairman of the non-aligned movement and as Prime Minister of a country which was one of the first to recognise the PLO and the Palestinian national rights, to advise and persuade the official PLO leadership (referring to Mr Yasser Arafat and his group) to take steps to reunite the Palestinian movement on the basis of the common programme of the PLO.

National unity, Mr Hawatmeh said, was the strongest weapon of a people in their struggle for self-determination. He said the Palestinian movement, which expected a lot from India, needed its help at the moment to restore its unity.

The DFLP has not joined the anti-Arafat Palestine National Salvation Front (PNSF), formed by six factions.

Mr Hawatmeh praised Mr Gandhi for his recent appeal to Soviet and American leaders to halt nuclear tests for a year and limit the militarization of space.

/9317  
CSO: 4600/1167

CPI REPORTED TOO FRIENDLY TOWARDS CHINESE COMMUNISTS

Madras THE HINDU in English 5 Nov 85 p 7

[Text]

CALCUTTA, Nov. 4.

For the first time, the CPI will decide whether to invite representatives from the Chinese Communist Party as observers or delegates for its forthcoming congress. Relations between the pro-Soviet CPI and the Chinese Communist Party have never been warm in recent years and the latest developments between the two parties strike observers here as highly interesting.

The background to what appears to be a dramatic change in the relationship was laid some time ago. The all China Trade Union Congress invited an AITUC delegation. Mr. C. Mishra representing the CPI-affiliated central trade union organisation recently visited China. A delegate from West Bengal also visited the country.

This was followed by the visit of Mr. Ranen Sen the veteran CPI leader. On return, the delegates related their experience to their party leadership in a favourable light. It was reported that the official Chinese organs had emphasised the need for closer fraternal ties for the future, instead of harping as usual on the differences leading to bitterness and acrimony in the past.

According to reports reaching here, Mr. Ranen Sen met senior party leaders in China, some of them belonging to the Politburo.

During the past few years, such contacts with the Chinese Community Party were reserved almost exclusively for the CPI(M) or its affiliated mass organisations. This was because after the formal split of the Communist Party in India in 1964, the CPI(M) at one stage was broadly regarded as a pro-Chinese party, in contrast with the pro-Soviet CPI. Later, with the formation of the CPI(M-L), the Chinese Party extended for a time its whole-hearted support to the new party, and used to attack the CPI (M)

/9317  
CSO: 4600/1172

## PROBLEMS CREATED BY INFLUX FROM BANGLADESH, NEPAL

Calcutta THE SUNDAY STATESMAN in English 3 Nov 85 p 14

[Article by Sumit Sen]

[Text]

**T**HE influx of people from Bangladesh and Nepal to West Bengal has of late strengthened parochial forces, created economic problems and given rise to criminal activities, mostly in the border areas of the State, according to informed sources. It is learnt that a report has recently been submitted to the State Home Department mentioning, that the influx from Nepal to Darjeeling and the adjoining areas had strengthened the movement for Gorkhaland.

According to State Home Department sources, about 550,000 Bangladeshi infiltrators and so-called tourists enter West Bengal every year and do not return to their homeland. The sources say that during the last decade about 4.4 million people have come to West Bengal from across the border. Some of them have settled down in other parts of India.

**Infiltration**

It is stated that about 400,000 Bangladeshis, who came to West Bengal with valid documents as tourists during the past decade, did not go back to their homeland. During the same period, about four million infiltrators have, it is estimated, sneaked into West Bengal crossing the border. Nearly 300,000 Bangladeshis enter the State through Haridaspur checkpost each year. Of them, on an average, about 50,000 do not return. According to the sources, in 1983, 1984 and till the middle of this year, the number of persons staying back in India was 40,000, 50,000 and 35,000, respectively. This apart, every year nearly half a million

infiltrators enter India through different points along the 2,203 km border between West Bengal and Bangladesh.

This has caused a rapid increase in population in the bordering districts—Murshidabad, Malda, West Dinajpur, Cooch Behar, Nadia and 24 Parganas—and the Garden Reach and Kidderpore areas of Calcutta. The annual population growth rate in these areas was 6.12% more than the State's average of 22.6% according to the 1981 census report. This has further gone up. Complaints have also been received that such infiltrators and illegal settlers at times receive political patronage so they can live in West Bengal.

**Political pressure**

The ratio between Muslim and Hindu infiltrators is 2 : 1. Of the Muslims, nearly 15% are non-Bengalis, it is stated. Aged between 25 and 50, many of them are skilled workers, like tailors, carpenters and artisans. Many of them have settled in Delhi, Bombay, Gujarat, Himachal Pradesh and Rajasthan. In Delhi, according to the sources, they constitute about 25% of the construction workers. Touts play a vital role in sending them to safe places and charge at least Rs 2,000 a family. In some cases, the touts arrange jobs for them. Recently some such gangs of touts were arrested and prosecuted. But some had to be freed under political pressure.

In Calcutta the sources admit, it has become almost impossible for the Special Branch personnel to track down the infiltrators in the congested areas. Whenever one

goes to the "sensitive pockets" one faces the possibility of being surrounded and harassed by hostile crowds. Even then about 300 such illegal immigrants are caught and driven out of the city each year.

The task force which identifies and deports the illegal migrants from the districts is understaffed. Set up in 1975, it has a personnel strength of only 100. They are expected to keep vigil on infiltrators in the entire State. The Centre has been repeatedly asked to strengthen the force, but nothing has yet been done. It is felt that the force should have at least 500 members. It is also not possible for the police in the rural areas with only 12 to 15 personnel at each thana and burdened with their normal work, to keep track of the infiltrators and the tourists who do not go back to their homeland.

The flow across the border can never be checked unless the existing travel rules for Bangladeshis are made stringent and vigil across the border is intensified, the sources feel. The travel rule for them was relaxed after 1971. Under the existing system they are no longer required to record their names and report to the police as

was done before 1971. On many occasions information given in the sponsorship forms are found to be incorrect, it is alleged.

### **Smuggling**

The influx of Bangladeshis has also led to a spurt in criminal activities in the border areas. Smuggling has become rampant. The Border Security Force during 1984, seized smuggled goods worth Rs 1.8 crores and till August this year, the seizure is worth Rs 1.3 crores. While electronic goods, silk saris, second-hand garments and fish are smuggled from Bangladesh to India, food stuff, cotton garments and other articles are sent from India to Bangladesh.

There are, however, plans to add seven to eight more battalions to the existing 13 battalions of the BSF. Proposals are there to narrow the existing distance between border outposts from seven to eight km to three to four km. There are at present 300 such outposts on the border. About 100 watch-towers are being set up and about 80 more will be built soon. The BSF is going to acquire night vision devices and other sophisticated equipment to tighten surveillance in the border.

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CSO: 4600/1164

## 'PATRIOT' EDITORIAL ARTICLE ON GANDHI MOSCOW VISIT

New Delhi PATRIOT in English 3 Nov 85 p 1

[Editorial by R.K. Mishra]

[Text]

The present hullabaloo over Prime Minister Rajiv Gandhi's stop-over at Moscow on his way back home from the Hague brings to my mind the late Chalapathi Rau's remark that the American Mr Walter Lipman collects his facts and then analyses them, but his Indian counterparts invent facts and then engage in what they pretend to be a profound analysis. Journalism is, in a way, history of the present. This responsibility the journalists can discharge only if their comments are based on full and correct information. Otherwise they reduce themselves to the level of purveyors of gossip and peddlers of conjectures.

As if on cue, an animated controversy has been orchestrated from Washington to Delhi about Rajiv Gandhi's meeting with Mikhail Gorbachyov. Dark hints are being dropped that the almighty uncle Sam is displeased. Pro-West lobbyists are irritated that they did not have prior information about the Prime Minister's visit to the Soviet capital. Their reaction is so ridiculous that it deserves to be dismissed with contempt. But a discussion has become necessary because the propaganda-pressure and ill-founded speculation could mislead the innocent and the gullible.

Rajiv Gandhi's visit to Moscow was neither sudden nor was this decision taken on the spur of the moment in New York because of Ronald Reagan's confrontationist address at the UN General Assembly or his blatantly contradictory statements on Pakistan's nuclear weapons programme.

When the Prime Minister and the CPSU General Secretary met in June they had decided to keep in touch. Gorbachyov's message, expressing a desire for an exchange of views with Rajiv Gandhi, was received in Delhi well before the Prime Minister left for London. The invitation was accepted, but the dates could not be finalised because Rajiv Gandhi's own programme in New York was under review. Finally he cut short his stay at the UN headquarters by two days. Naturally, therefore, the details of his visit to Moscow, the date and timing of his meeting with Gorbachyov could be finalised only thereafter. Gorbachyov was in Sofia for a meeting of the leaders of socialist countries. The programme was therefore finalised when the Prime Minister was in The Hague. This is as far as facts are concerned. It is amusing indeed that conjectures and speculations should have continued in this

regard in spite of the Prime Minister himself making it clear that his Moscow visit was under discussion earlier.

Perhaps, the reaction is not, after all, amusing. The visit is seen by pro-US lobbyists as a snub to them; a rejection of the castles they were building on sand in the hope that Rajiv Gandhi would take India into the American parlour and would give up India's independent stand in international affairs.

Why should the Indian Prime Minister and the General Secretary of the CPSU not meet whenever and wherever they like? Is the Prime Minister obliged to anyone to announce in advance where and when he proposes to go?

The "leaks" about Washington's reaction reveal, somewhat eloquently, the most fundamental problem in Indo-US relations. Simply stated the problem is that the US establishment is not able to reconcile to the fact that India is an independent country, that the leader of this country takes a decision on his own and is not obliged to consult or seek prior approval from Washington. Time-tested relations between India and the Soviet Union have been built over several decades.

There are similarities of views between the two countries on major international issues and the multifaceted bilateral ties are mutually beneficial. The continuous exchange of views between them on matters of mutual interest and global concern reflects those ties. The Soviet Union recognises India as a force for peace in the world and stability in Asia. For Mikhail Gorbachyov to invite Rajiv Gandhi for an exchange of views before the Geneva summit is fully consistent with Moscow's assessment of New Delhi's role in world affairs. The meeting between the two leaders becomes the more valuable in the context of Rajiv Gandhi's courageous and powerful campaign for a climate in favour of nuclear disarmament. This he has done not only as the Prime Minister of this country and the Chairman of the Non-Aligned Movement but also in concert with leaders of other nations drawn from all continents. The six-nation appeal was a major peace initiative to cut across the barriers of ideology and blocs for mobilising world opinion against the escalation of the nuclear arms race, including the militarisation of outer space. The Geneva summit between US President Ronald Reagan and CPSU General Secretary Mikhail Gorbachyov has a crucial importance in this context. As the Prime Minister has forcefully underlined nuclear disarmament is the most paramount issue before mankind. This is not the concern only of the two big powers. To sidetrack this issue by raising other matters of lesser significance is a diversionary tactic.

It was natural for Rajiv Gandhi and Mikhail Gorbachyov to discuss other matters of common concern

when they met. The United States has been using the presence of Soviet troops in Afghanistan as an alibi for the massive supply of arms to Pakistan, though Rajiv Gandhi has conclusively proved that some of these weapons are unusable on the Pakistan-Afghan border and can, therefore, be used only against India.

An examination of the chronology of the supply of American arms to Pakistan also exposes the hollowness of Washington's alibi. India, as we all know, did take up the Afghanistan question with the Soviet Union. Foreign Secretary Romesh Bhandari had visited Moscow immediately after President Reagan raised this issue with the Prime Minister in June. During Rajiv Gandhi's discussion with Reagan in New York it was conveyed to the President that while the Soviet Union is willing to take a positive attitude, the United States is not willing to give the guarantees that are necessary to facilitate Soviet withdrawal. The only conclusion that can be drawn from the American position is that Washington is not interested in a political solution of the Afghan problem. At the proximity talks in Geneva, some progress was made. But the sudden change in Pakistan's attitude after Nawabzada Yaquub Khan's visit to the US lends strength to the suspicion of US instigation. This, along with the drive for nuclear weapons, has made the situation extremely tense. Pakistan is allowing itself to be used as a springboard for interference and subversion both against Afghanistan and India. The contradictory American position on Pakistan's nuclear weapon programme is an additional cause for concern. As the Prime Minister has explained, on the one hand

Ronald Reagan says that Pakistan has no nuclear weapon programme, on the other hand he 'advised' Rajiv Gandhi to do something about it before it reaches the point of no return. It is obvious that the whole exercise is aimed at putting pressure on India either to accept the Armacost regional solution or to succumb to nuclear blackmail in some other form. It was, therefore, in fitness of things that Rajiv Gandhi made it clear that India would not succumb to pressures.

All patriotic Indians feel proud of the correct and dignified response that Prime Minister Rajiv Gandhi has given not only on these issues but also the earnest initiatives he has taken on other questions of international significance, particularly the need to dismantle the racist regime of South Africa and reiteration of support to the Palestinians' right to a homeland. If such principled stand makes Washington unhappy, India can hardly help it. New Delhi's positions on these issues are not new and are totally consistent with the resolutions of the Non-Aligned Movement and even of the United Nations.

It is really disgraceful that there are sections within our own country who, instead of applauding the Prime Minister's act of upholding national dignity, advocate that he behave like those whose independence consists in dancing to the US tune. As Rajiv Gandhi repeatedly said, India would not succumb to pressures, would not become a camp follower, and would follow in international and domestic affairs a course of action which is independent and consistent with national interest. Only those who do not subscribe to this correct approach are making a hullabaloo about his Moscow visit.

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CSO: 4600/1165

## GANDHI SPEAKS TO FOREIGN AFFAIRS CORRESPONDENTS

Madras THE HINDU in English 2 Nov 85 p 1

[Text]

NEW DELHI, Nov. 1.

Pinpointing contradictions in the U.S. attitude towards Pakistan, the Prime Minister, Mr. Rajiv Gandhi, said today that the least Washington could do was to restrain Islamabad—by merely withdrawing exemptions from its law, barring aid to the countries engaged in developing nuclear weapons.

On the one hand, the U.S. President, Mr. Ronald Reagan, was positive that Pakistan did not have a nuclear weapons programme and, on the other he wanted India and Pakistan to sort out the problem before the point of no-return was reached. This reference, according to the Prime Minister, implied that the U.S. was aware of Pakistan's nuclear programme.

The Prime Minister was responding to questions—mostly arising out of his recent trip abroad and discussions with world leaders—at a luncheon meeting of the Foreign Affairs Correspondents' Association. His plea against the waiver of the Symington Amendment (under which countries pursuing nuclear ambitions are not to be given aid) was India's specific response to the peculiar situation created by the U.S. attitude in turning a Nelson's eye to Pakistan's nuclear programme.

**Pre-emptive strike denied**

India, he said, had not closed its nuclear options though, at the moment, there was no intention to make a bomb. "At the moment, we do not have a nuclear weapons programme and we have no intention of making a bomb. But, he said, "I am not closing the option.... We will not let our security to be compromised." He categorically denied that India contemplated a pre-emptive strike on Pakistan's nuclear installation. "We are not thinking that way", he said, adding amid laughter that they might have other friends who could do this job.

A questioner recalled the Prime Minister's earlier remarks that India could contain Pakistan and inquired why it was obsessed with Pakistan's bomb. Denying the obsession, the Prime Minister referred to the consequences of Pakistan's programme, entailing diversion of resources from development to defence. There was talk of doubling American aid to Pakistan from its present \$3.2 billion level and this would put tremendous strain on India, he said.

Mr. Rajiv Gandhi reiterated India's known stand against Pakistan's proposal for joint inspection of nuclear facilities of the two countries (because of the clandestine nature of Pakistan's programme). Did he rule out a bilateral approach to this problem? India, he said, had offered a treaty of peace, friendship and cooperation, covering all aspects of bilateral relations but since India had not embarked upon a nuclear programme, a regional initiative in the matter was not called for. If the U.S. was convinced of Pakistan's nuclear innocence, what was it that they want us to talk with Islamabad? Mr. Gandhi found it puzzling.

Why was India upset over Pakistan's nuclear programme when it maintained silence in the case of China? (the question was based on Mr. Justice V. M. Tarukunde's statement). This was because, replied Mr. Gandhi, India had been attacked thrice by Pakistan; there had been several internal changes in that country since its inception and it had a military Government.

**Technology transfer**

Had the earlier euphoria about Indo-U.S. relations waned? What were the prospects of the transfer of technology—super computers, in particular—and of defence supplies? The Prime Minister gave a detailed exposé of Indo-U.S. relations in response to these and

other questions. India, he said, did not want problems in its relations with the U.S., but it had a positive view of the issues like disarmament, South Africa and human rights which were not going to be changed. India was prepared to argue and convince the other side.

He was disappointed by the innuendoes in Mr. Reagan's speech at the U.N. Very much more could be read, according to Mr. Gandhi, into his omissions as also into what he said.

Mr. Gandhi saw no reason why his visit to Moscow and India's friendship with the Soviet Union should be misunderstood, because "our friendship with one was not at the cost of friendship with the other". Indo-Soviet relations covering industrial and cultural fields, dated back to 30 years, and the friendship with the U.S. could not reach that level within six months. But "we want to build similar friendship with others", he said.

### Sale of defence equipment

India, Mr. Gandhi said, had told the U.S. of its reservations in regard to the purchase of defence equipment because of "our bad ex-

perience" in the past. At times of political differences, India had found the U.S. supply of military spares and essential items cut off. "This sort of pressure could not be applied". He, therefore, told the U.S. that defence deals could wait until such time that the two countries build mutual confidence. As regards supply of super computers, the U.S. had given the clearance at the political level, Mr. Gandhi said.

As regards Sri Lanka, Mr. Gandhi said, the attitude of the Government there (on the solution of the ethnic problem) had been fairly cooperative. It was his hope that a solution could be possible "but these things do not come out of hat but take time".

Other issues figuring in the hour-long question-answer session included the Commonwealth discussion on South Africa and the forthcoming Geneva summit. If the disarmament issue was sidetracked at Geneva, there would be widespread disappointment, he said. India and five other nations which had given a call for nuclear disarmament, had stressed the capability of monitoring explosions, he said.

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CSO: 4600/1163

## GANDHI OPENS WATER RESOURCE PANEL MEETING

Madras THE HINDU in English 31 Oct 85 p 1

## [Text]

NEW DELHI, Oct. 30.

The Prime Minister, Mr. Rajiv Gandhi, today called for a policy that would help utilise the available water resources efficiently and for a plan to harness rivers to the benefit of all the States through which they passed.

Mr. Gandhi, who was inaugurating the first meeting of the National Water Resources Council here, said it was ridiculous to have water flowing into the sea going waste in certain areas while other States were dry. There should be a plan for using the water that cut across artificial barriers that had been built in the form of State boundaries, he added.

### No feeling of responsibility

The Prime Minister noted that at present only 40 per cent of the available water resources was being used. In many States in irrigation, a lot of water was wasted. "There is no feeling of responsibility with water—whether it is the farmer irrigating his field, over-irrigating his field, water-logging the land, cutting canals to steal water, pinch water from his neighbours or whether it is in towns where taps are left running—many times there are no taps. We, somehow, don't seem to feel that water is a resource and not having water can be a problem, may be we get it too easily," he said.

Mr. Gandhi pointed out that the country would almost be using all the water by the end of the century and beyond that it would start getting into troubles if it did not plan things right now. It should be seen how our agriculture could be modified to suit the water that was available. "It is not necessary to grow rice in the driest areas of the country. We have to adjust our cropping patterns, we have to adjust the seasons in which we can use the water and finally we will have to see how we can re-use the water that we have used", he observed.

The Prime Minister felt that in the next 10 or 15 years, the situation would start getting tight. They should make a policy now that utilises the available water to the best productivity. "We

should not worry about how much water belongs to this State or that State. With better utilisation, there will be very few States which are actually short of water," he felt.

The Union Minister for Water Resources, Mr. B. Shankaranand said conservation and efficient water management must be a national priority and the preparation of national water plans in this regard needed the cooperation of the States. He noted that the demands for water had increased considerably with the rise in population and economic activities. The demand in the Industrial sector was expected to double by the turn of the century.

### Hegde wants terms of reference reviewed

The Karnataka Chief Minister, Mr. Ramakrishna Hegde, called for a review of the terms of reference of the Council and opposed any modification of the existing Inter-State Water Disputes Act and River Boards Act in the name of expeditious settlement of disputes.

Mr. Hegde contended that when the National Development Council endorsed in 1983 the idea of setting up the Water Resources Council the terms of reference had not been discussed in detail. But the terms of reference as now formulated were wide ranging and far reaching in scope. He feared that they might encroach upon the authority and the responsibilities of the State Governments.

The Karnataka Chief Minister felt that a perspective plan should be developed for optimum utilisation of national water resources. In this context, he welcomed the move for preparation of a national water policy. He, however, felt that in the name of evolving a national policy, there should not be large-scale expansion of the Central bureaucracy. It would be wasteful to build up a redundant administrative structure at the Centre, he added.

The Constitution makers had rightly included water in List II of the Seventh Schedule. Agriculture development, land use and irrigation were all so closely interlinked with each other that these must remain the sole responsibility of the States. While it was a fact that certain disputes relating to inter-State rivers had taken considerable time to reach solution either bilaterally or through tribunals set up under the Inter-State Water Disputes Act, the present legislation had the merit of providing a judicial remedy.

### NTR opposes move for Central legislation

The Andhra Pradesh Chief Minister, Mr. N. T. Rama Rao, felt that a thorough investigation should be undertaken to determine the quantum of water that could be diverted from surplus to the needy regions through interlinking of rivers. He, however, cautioned against any narrow approach to this task.

He opposed the move for a Central legislation on river waters. The Central legislation on industries, mines and minerals had resulted in loss of State's jurisdiction in respect of these sectors and this had led to palpable economic

inefficiencies. "Political sagacity and economic imperatives dictate that the Centre's role in harnessing river waters should be by way of aiding and assisting the States and not in supplanting or impeding their initiative, effort and dynamism", he added.

The A.P. Chief Minister questioned the move to set up standing river commissions and called it paradoxical that this was being proposed at a time when the National Water Development Agency was embarking on bold, innovative and technologically challenging schemes of inter-basin water transfers. He opposed the creation of standing commissions.

He felt that a coordinated policy of release and utilisation of Cauvery waters would have taken care of the requirements of all the three States—Tamil Nadu, Karnataka and Pondicherry. Such a policy would necessarily mean regulation of utilisation of water en-route to guarantee a certain minimum supply at each entry point in respect of Tamil Nadu and Pondicherry. He urged the Prime Minister to convene a special meeting of the three States to solve the issue of Cauvery waters sharing once for all.

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CSO: 4600/1160

## ISRO OFFICIAL TELLS SATELLITE LAUNCHING PLANS

Madras THE HINDU in English 5 Nov 85 p 9

[Text]

MADRAS, Nov. 4.

The first flight of Augmented Satellite Launch Vehicle (ASLV), which will heave a 150-kg satellite into a 400-km circular orbit will be in March, 1986 from Sriharikota, according to Mr. P. Sudarshan, Chairman, Technology Transfer Group, ISRO headquarters, Bangalore. It will be an operational flight, skipping the experimental stage, reflecting ISRO's confidence gained from the launch of the SLV-3 series of rockets.

The first ASLV flight will have a technological and a scientific payload. The technological payload will monitor the performance of the launch vehicle, viz. the rocket and its sub-systems. The scientific payload will conduct gamma-ray burster experiments to detect the sources in the universe which emit the gamma rays. Besides, the ASLV-1 will have a closed loop guidance system (inertial navigation system) which will ensure that the entire trajectory or the flight path of the vehicle, is maintained for such stage according to the predetermined parameters. The system will also control strictly the orientation and the altitude at which the satellite should be launched.

**Stretch Rohini satellite series:** The satellites to be launched by ASLV rockets are called Stretch Rohini Satellite Series (SROSS) because of their stretched diameter compared to the Rohini satellites lofted into the orbit by SLV-3 vehicles.

**Five stages:** In the case of Rohini satellites, the heatshield encasing the spacecraft was of the same diameter as that of the satellite. But the heat shield of SROSS will be more bulbous and have a curvature as well. The satellites will have a longer diameter. The ASLV vehicle will have five stages with the strap-on booster motors at the bottom of the first stage being counted as the zero stage and four regular stages.

The first two flights of ASLV will be developmental ones and the next two will be operational. There will be a flight almost every year beginning with March 1986.

**West German payload:** The second developmental flight of ASLV will carry a West German payload — a multi-spectral electro-optical system — to monitor earth's natural resources viz. it will be a remote-sensing payload.

The first launching of the Indian Remote-Sensing Satellite (IRS) will be in the third quarter of 1986 from the USSR. It will be launched by a Soviet vehicle.

The Polar Satellite Launch Vehicles (PSLV) may be launched in 1988-89. The Geostationary Launch Vehicle (GSLV), which will hurl an indigenously-made INSAT spacecraft, may be ignited into space by 1991-92. (The INSAT-1A and 1B were made by Ford Aerospace and Communication Corporation). The INSAT-1C, which will be launched by the American shuttle next year, will also ferry two Indian ISRO scientists as payload specialists. It will be also be made by Ford Aerospace.

**70 processes for industries:** The ISRO has in its pipeline 70 technological processes developed by it and ready to be licensed to Industries for commercial exploitation, according to Mr. Sudarshan.

He told newsmen that ISRO had so far licensed 75 technologies to 45 industries under the categories of chemicals, polymers, electronics, software, electro-optics, electro-mechanics, etc.. Out of these processes, 51 had gone into production and the rest were in various stages of implementation. Some of these like polyols were unique and a plant at Kuttipuram in Kerala had recently started producing polyols. The quality of the products of the 45 industries was good and there were only two cases of clear failure, he said.

**Role in chemical industry:** Mr. Sudarshan said that a seminar on "ISRO's cooperation with chemicals and special materials industry", would be held in Madras on Tuesday (November 5). The main objective of the seminar would be to give an exposure of ISRO's R and D activities in four areas — chemicals and process industries, solid and liquid propellants, special polymers and chemicals, composites including reinforced plastics and special material like dry powder.

One important area where cooperation could be forged between ISRO and the chemicals and special materials industries was in the field of technology transfer. The seminar is being organised by the Tamil Nadu Chemicals Manufacturers' Association and the All-India Manufacturers' Organisation (AIMO), Tamil Nadu chapter.

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CSO: 4600/1170

## INDIAN UNGA DELEGATE TELLS STAND ON KAMPUCHEA

New Delhi PATRIOT in English 6 Nov 85 p 6

[Text]

**United Nations, Nov 5 (PTI)—** India today questioned the relevance of a General Assembly debate on Kampuchea without the participation of the People's Republic of Kampuchea.

Indian delegate Sushil Kumar Shinde, told the Assembly on the opening day of a two-day discussion of the Kampuchean question that the People's Republic of Kampuchea should be allowed to take its rightful place in the United Nations.

Mr Shinde recalled that India had recognised the Government of the People's Republic of Kampuchea.

At present "Democratic Kampuchea" with Prince Norodom Sihanouk as its President is seated at the UN.

Vietnam and Laos have announced that they are not taking part in the debate because of the presence in the Assembly "under the facade of democratic Kampuchea" of representatives of the "genocidal (Pol Pot) regime."

Mr Shinde expressed India's concern over the tension still prevailing in South East Asia and said recourse to any "hard position" and the demand for the restoration of status quo would not help to solve the problems in the region.

"It is our firm conviction that dialogue among the parties concerned alone could create the conditions in which a peaceful and lasting political solution could be found," Mr Shinde said.

He added: "The urgent need of the hour is to promote an atmosphere of trust and mutual confidence in which such consultations could proceed with a view to bringing about the desired results. There can be no military solution to this question. What is needed is a balanced approach that takes into account the security and other considerations of all the countries in the region and eliminate outside interference."

Mr Shinde announced that

India would abstain from the 58-

power resolution calling for withdrawal of all "foreign forces" from Kampuchea because it was not directed to the defusing of tension and a viable political solution.

The resolution also stressed to right of Kampuchean people to determine their own destiny. The resolution reaffirms the decision to convene an international conference on Kampuchea at an appropriate time.

Prince Norodom Sihanouk, addressing the Assembly on Monday offered to sign a treaty of "peace, non-aggression, friendship, and technical, cultural and economic co-operation with Vietnam" provided Vietnam implemented the UN resolutions of Kampuchea.

Prince Sihanouk, president of the Chinese-backed coalition that includes elements from the Pol Pot regime said his "government" which is recognised by the Assembly, would never accept Vietnamese domination.

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CSO: 4600/1174

RAJIV SPEAKS ON INDIRA'S DEATH ANNIVERSARY

Calcutta THE STATESMAN in English 1 Nov 85 pp 1, 9

[Text] Oct 31--Making repeated references to "pressures" on developing countries from outside, Mr Rajiv Gandhi said in New Delhi today that India would not be intimidated by anyone. The country had the capacity to resist pressures from any quarter, and this was the direct result of the independent policies followed by India under Indira Gandhi's leadership.

The Prime Minister, who was addressing an impressive rally held at the Boat Club to mark the first death anniversary of Indira Gandhi, said that his mother was aware of the many pressures on India and she worked hard to prepare the country to face them.

An estimated half a million people cheered Mr Gandhi as he urged them to work for the integrity and unity of the country.

He said that during his recent visit abroad, he asked several leaders of developing countries why did they not speak up openly on some of the major issues of universal concern. "They said that they wanted to, but could not do so because of pressures from outside and one leader told me that he wanted to speak up on a major issue, but the evening before he was to do so, he was told by the representative of a big power that it would invite reprisal in the form of withdrawal of food aid," Mr Rajiv Gandhi said, without identifying any country or power bloc.

Tight Security

The rally, which was held under the shadow of security men, began on a devotional note with M. Subbulakshmi rendering a bhajan, even as helicopters hovered over the venue. Earlier, Mr Rajiv Gandhi and Mr Venkataraman accompanied by security men went up to the base of the towering image of Indira Gandhi and offered flowers.

The crowd cheered Mr Rajiv Gandhi and his wife as they later climbed the heavily-guarded main podium from where the speeches were made. Mr Venkataraman, who presided over the function, released a commemorative volume on Indira Gandhi and then presented a copy to Mr Rajiv Gandhi. The volume, which contains tributes to Indira Gandhi by distinguished people from all over the world, has been brought out by the Indira Gandhi Memorial Trust.

## Special Stamp

The Vice-President released a special stamp, "Indira Gandhi in the service of the nation." Mr Ram Niwas Mirdha, Minister for Communications, said that his department had proposed to release four special stamps in the memory of Indira Gandhi. Two had already been issued. A third will be issued soon.

The rally had its lighter moments too. The audience burst into loud laughter when the U.P. Chief Minister referred to Mr Rajiv Gandhi as the Bhootpoorv Pradham Mantri (former Prime Minister) and there was some excitement when the Vice-President, struggling with a speech written in Hindi, could not translate the 20-point programme into Hindi. "I am sorry, I can't say this in Hindi," he admitted in good humour.

A young woman who came along with her little son was mistaken by everyone for Mrs Maneka Gandhi. It was only later that people realized that they had been deceived by her striking resemblance to Mrs Maneka Gandhi.

In his 15-minute speech, the Prime Minister said that Indira Gandhi refused to be intimidated, and raised her voice on behalf of the oppressed people all over the world. She proved to the world that progress could be achieved under a democratic set-up, and it was under her leadership that India became self-sufficient in food, apart from making progress in science and technology. She believed that political independence could be consolidated only when the country was economically strong, and she worked tirelessly to build a strong economic base.

He said she introduced many programmes to remove poverty, and the 20-point programme benefited the poor all over the country. "The progress that the country made under her leadership would be written in history books," he said.

### BOLD STAND

The bold stand she took on the Bangladesh issue despite threatening postures from outside proved that she would not yield to pressures. "She never fought shy of challenges and till the end had the strength to refuse to be cowed," Mr Gandhi pointed out.

The Prime Minister said that Indira Gandhi was "not my mother alone, but the mother of every poor man and woman in country." The "sacrifices" made by her were in the same class as those of "that other great Indian — Mahatma Gandhi." Both laid down their lives for the integrity of the country, and the welfare of the poor. "Both first gave up everything for the sake of their countrymen, and when they had nothing more to offer, they laid down their lives".

Earlier, the Vice-President, Mr R. Venkataraman, said that it was one year ago that Indira Gandhi fell to assassins' bullets, but "there has not been a single day that the country has not remembered her." She had made such immense contribution to the progress of the country that she would always be remembered with love and affection.

UNI and PTI add: President Zail Singh today described Indira Gandhi as a fearless leader, whose martyrdom for the cause of democracy and secularism exemplified her commitment as a stateswoman.

Releasing a book, *Legacy of Indira Gandhi*, written by two Supreme Court lawyers, Mr Zail Singh said besides being an accomplished leader, Indira Gandhi had been a warm-hearted person.

Exhorting the people to emulate her qualities as a relentless crusader for the downtrodden, the President said her achievements as a politician and stateswoman could not be encapsulated in one small book.

Ambassadors of several Socialist countries, including the Soviet Union, attended the function.

In his tribute, the Soviet Ambassador, Mr Vassili N. Rykov, said Indira Gandhi had earned a pre-eminent position in history.

Pledges to maintain unity were taken at solemn functions organized across the country where speakers promised and urged the people to follow the path shown by the former Prime Minister to make the nation strong and prosperous. Prayer meetings, silent processions, blood donation camps and feeding of the poor were organized in homage to the leader who had championed the cause of weak and downtrodden all her life.

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CSO: 4600/1184

## ECONOMIC OUTLOOK FOR NEW YEAR SAID TO BE OPTIMISTIC

Bombay THE TIMES OF INDIA in English 11 Nov 85 pp 1, 13

[Article by D.G. Gupte]

[Text]

BOMBAY, November 10.

**O**N the eve of the new Samvat Year 2042, the prospects of the Indian economy can be considered good. The comfortable foodgrains stock position, favourable monsoon in most parts of the country and a reasonably comfortable level of foreign exchange reserves have already had a positive impact on the country's economic trends.

Foodgrains production in 1985-86 is expected to be marginally higher than the level of 150.5 million tonnes in 1984-85. As regards commercial crops, the production of cotton and sugar is expected to be maintained at the previous year's level. The gap between the availability and requirement of oilseeds is expected to widen to about 16 lakh tonnes in the 1985-86 season (November-October) against 12 lakh tonnes in the 1984-85 season.

The cotton advisory board has placed the cotton crop in the 1985-86 season (September-August) at 95 lakh bales of 170 kg. each against 101.50 lakh bales in the 1984-85 season. However, normally the crop estimate is revised later in the year. With the recent modifications to the textile policy, the demand for synthetic fibres is likely to increase in the coming years.

Sugar production in the 1985-86 season (October-September) is estimated at 60.65 lakh tonnes against 61.43 lakh tonnes in the 1984-85 season and 59.51 lakh tonnes in the 1983-84 season. Imports of sugar might thus become inevitable in the current season as well.

The relaxations in industrial licensing and imports, the decision to have a long term import-export policy, fiscal reforms announced in the 1985-86 budget, expectations of continuation of this trend after the announcement of the fiscal policy shortly, the sustained growth of the capital market and, above all, the changed mood of the business community, are expected to promote acceleration of investment in the economy.

During 1984-85 (April-March), the growth rate in industrial output was 5.6 per cent against 5.5 per cent in 1983-84. In the first four months of the current year (April-July 1985), although the index had recorded a decline, industrial growth is expected to be higher in 1985-86 than in 1984-85.

The policy of 'broad banding' of products for the purpose of licensing in automobile industry was introduced in January, 1985, and later extended to industries like paper and pulp, chemical, pharmaceuticals, petrochemical and fertiliser machinery. Several industries such as drugs and drug intermediates, steel structural, electrical equipment and machine tools have been delicensed.

The import-export policy valid for three years have been announced in April, 1985. Hundred per cent export-oriented units have been allowed to sell 25 per cent of their production in the domestic market. The asset limit of MRTCP companies has been raised from Rs. 20 crores to Rs. 100 crores, and the rules regarding capital issues have been relaxed. All these are bound to have a favourable impact on the industrial sector.

The improvement in the price situation noticed last year is expected to be maintained in the ensuing year. In the first half of the current fiscal year (April-September), the wholesale price index has shown a net rise of 3.4 per cent and the inflation rate in early October was 4.7 per cent. There is a significant improvement in revenue collections in the first six months of 1985-86 — about 30 per cent in customs duties and 27 per cent in income-tax — over the same period last year.

However, to maintain the tempo of development, infrastructural limitations arising from lower rates of growth than planned earlier, particularly in the power sector, will have to be removed. Resource constraint is likely to emerge as a serious factor, since the fiscal deficit cannot be allowed to rise beyond limits as these might exert inflationary pressures.

The importance of increasing the savings rate in the country and channelling these savings to desired sectors where production can increase in the short-run cannot, therefore, be over-emphasised. Raising the gross savings rate from the present level of 22.21 per cent of the gross domestic product (GDP) will no doubt call for strenuous efforts. But given the political will, it should not be difficult to achieve the goal.

In the short-term, timely completion of projects, avoidance of cost overruns, improving capital-output ratio, higher capacity utilisation of existing projects, both in the public and private sectors, and reducing the industrial sickness incidence will be needed to

improve the production and productivity in the economy.

The continued steep fall in exports growth and galloping increase in imports in the wake of the liberalised import policy has led to a trade deficit of over Rs. 3,000 crores in the first four months of the current year. On present reckoning, the trade deficit might increase to around Rs. 7,000 crores in 1985-86 against the revised estimate of Rs. 5,325 crores during 1984-85.

Although the short-term outlook for balance of payments is considered good and the problem is manageable, the medium-term outlook is none-too happy. Concessional external assistance has come down in the past few years and this trend is likely to continue.

The country will thus have to make strenuous efforts to increase exports and to resort to higher commercial borrowings in the international money markets. Owing to protectionist policies being adopted by many developed countries, as a sequel to the slow down in their growth rates, raising exports of manufactured goods might not be that easy. Export volume and competitive strength of Indian products will have to be raised. Fortunately, India has acquired a good rating in the international money markets owing to prudent debt management and extremely low ratio of debt to GNP. It can hope to raise external funds on favourable terms. However, in this case also, diversification of markets and resort to newer instruments will be necessary.

Since the external debt service burden is expected to increase in the coming years, efforts will be needed to increase net invisible receipts. Travel receipts can be increased with proper promotional policies. Funds from foreign investors, including NRIs, could be tapped in a big way, with the changing business outlook in the country. However, concerted promotional and marketing efforts will be needed. Different savings instruments will need to be evolved for tapping savings of NRIs.

With the rise in the contribution of the services sector to the total GNP in the domestic sector, this sector can help increase the invisible receipts by broadening its horizon and tapping the overseas markets. For example, export

of computer software can be increased manifold. Similar is the case with other services.

The draft of the seventh five-year plan has been finalised, which envisages a total investment of Rs. 32,366 crores — Rs. 1,80,000 crores in the public sector and the balance in the private sector.

Trade and industry circles seem to take an optimistic view of the economy. It is generally expected that production in the several sectors of industry will be higher than last year. Many units, which were hesitant on the eve of the last Samvat Year 2041, have taken effective steps to go ahead with their modernisation, expansion and diversification plans. The pragmatic policies being followed by the government under the leadership of Mr. Rajiv Gandhi have been appreciated by the trade and industry circles.

These circles will await with keen interest the ensuing statement on fiscal policy strategy. Judging by the trend set in the Union budget for 1985-86, it is generally expected that the entire tax structure will be streamlined and obnoxious taxes hampering the country's development will be gradually done away with. A new wave of enthusiasm is noticed, particularly among the young generation of entrepreneurs and businessmen, since they feel that the Prime Minister understands their aspirations and problems and has the courage of conviction to take corrective steps, if necessary, to solve these problems.

The capital market remained extremely buoyant last year, with a phenomenal increase in the direct mobilisation of funds by the private sector. Besides equity issues, debenture issues — both convertible and non-convertible — have become popular with investors.

In 1985-86, capital issues are expected to be higher at Rs. 1,500 crores compared to Rs. 1,350 crores in 1984-85 and Rs. 942 crores in 1983-84. Reliance Industries made the largest non-convertible debenture issue for Rs. 270 crores and tapped nearly Rs. 390 crores for the same. Many equity issues have been oversubscribed many times.

A new class of investors has emerged, which includes young executives in banks and commercial establishments and small traders. The number of shareholders which was around seven million last year, is expected to rise to 15 million in the next two years. The stock broking community and the stock exchanges will have to gear themselves to cater to the needs of such a large number of investors.

The government has told the corporate sector to mobilise resources from the market and reduce its dependence on the public financial institutions. Thus, the size of the capital market is expected to remain large in the coming years.

For the stock exchange, the Samvat Year 2041 was quite good. Activity broadened considerably and the all-India share price index showed a net rise of 58 per cent over the year. Several individual scrips have shown a much higher rise. There was a hectic rise in share prices following the presentation of the Union budget at the end of February, 1985. Later, optimistic expectations of the economic outlook and several policy measures announced by the government led to a galloping rise in the share prices up to mid-August.

#### BULLISH TREND

In view of the emergence of speculative activity, the market authorities tried to control the rise in share prices by frequent imposition of margins and upward revision of the same. But this could not contain the bullish march of the market. From mid-August to early September, institutional selling restricted the price rise. Later, the market moved within a narrow groove.

On the eve of the new Samvat Year 2042, the share market seems to be in a somewhat hesitant mood. Although the long term outlook is considered promising, in the short run, the market is expected to move in a narrow range. The fiscal policy announcement will be awaited with keen interest. It is felt that while granting project finance, the authorities should ensure that funds raised by the entrepreneurs are properly used for creating capital assets, which will generate funds to service the capital adequately. The enthusiasm of the investors needs to be sustained.

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CSO: 4600/1190

TAMIL SPOKESMAN SAYS INDIA WORKING OUT NEW PACKAGE

Bombay THE TIMES OF INDIA in English 11 Nov 85 p 1

[Text]

MADRAS, Nov. 10 (Reuter).

THE Indian government will work out a new package of proposals to improve on the draft working paper, in a bid to find a political solution to Sri Lanka's ethnic problem, according to the Liberation Tigers of Tamil Eelam (LTTE).

An LTTE spokesman said India had decided to prepare the alternative proposals, keeping in mind the views of the six Sri Lankan Tamil groups, and this had been indicated to them at the Delhi talks on Friday.

The six groups had decided not to put up alternative proposals to the draft working paper which they have rejected. The LTTE would be willing to consider any new proposal based on India's mediation and peace initiative, he added.

'DISMAL FUTURE'

Meanwhile, the LTTE leader, Mr. V. Prabakaran, said the group would retaliate if the Sri Lanka security forces violated the ceasefire. The LTTE would abide by the truce only if there were no violations from the other side, he said, adding that the prospects of an early political solution were 'dim'.

The talks were dragging on indefinitely and the Tamil people had found no sign of a reasonable and lasting solution, he said. It was clear that the Sri Lanka government was pursuing a military solution, he added. An ENLF spokesman also reiterated this stand on behalf of the four-group Eelam National Liberation Front.

Mr. Prabakaran, who returned here today after attending the Delhi talks

with the Indian foreign secretary, Mr. Romesh Bhandari, said the next round of discussions would be held as and when desired by the Indian government.

Colombo: Thirty-nine people, 33 of them Tamil militants, have lost their lives in encounters with the Sri Lankan security forces and a landmine explosion in the last three days.

The militants were shot dead by security forces which launched one of the biggest search operations on November 7, after an attack on Namalwatte village in eastern Trincomalee district, in which 12 people including 10 children were killed.

The six civilians were killed yesterday when the bus in which they were travelling ran into a landmine at Sit-taru in Trincomalee district.

Over 150 Tamil youths were arrested following a day-long house-to-house search by the Sri Lankan police commandos at Palakanam area near Pattiruppu in Batticaloa district yesterday, according to reports received by the Tamil information centre at Madurai today.

The whereabouts of the arrested youths were not known, centre sources said.

In another incident about 50 houses were destroyed when petrol bombs were thrown and guns fired from helicopters flying low in Mudur in trincomalee on Friday night, the sources said.

Altogether since June over 2,000 Tamil have been killed in Sri Lanka, despite the ceasefire agreement according to the ENLF.

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CSO: 4600/1190

INDIA

INDIA, UK TO COLLABORATE IN DEFENSE R&D

Bombay THE TIMES OF INDIA in English 11 Nov 85 p 13

[Text]

NEW DELHI, November 9: India and Britain will collaborate in defence research and development, according to the British minister of state for industry and information technology, Mr. Geoffrey Pattie.

The visiting minister, who held the defence portfolio earlier and had talks with Indian leaders on defence research and development during his previous visits here, said yesterday that the draft of the agreement was being finalised.

Mr. Pattie met Mr. Arun Singh, minister of state for defence research and development, and talked about co-operation in advanced technology areas.

During a meeting with Mr. M. Arunachalam, minister of state for industry, the British minister said the two countries should further intensify their economic relations. British companies, he said, were interested in increasing investments in India.

Mr. Arunachalam said India would welcome technical collaboration with Britain particularly in fields such as telecommunications, fibre optics, pollution control equipment, mining ma-

chinery and analytical instruments.

Mr. Arunachalam suggested that the two countries set up joint projects in third countries.

Mr. Pattie later told newsmen that computers was one area which offered immense scope for co-operation, with India providing expertise in software.

He said British Aerospace companies were interested in co-operating in the design and development of India's light combat aircraft. They could offer some subsystems and consultancy, he said.

In reply to a question, Mr. Pattie said he did not visualise any difficulty in transfer of advanced technology from Britain, though in the case of some sensitive technologies a case-by-case scrutiny might take place in view of other commitments made earlier by Britain.

Mr. Pattie told a correspondent that during his visit he did not discuss the Westland helicopter deal but on the basis of remarks made by the Prime Minister, Mr. Rajiv Gandhi, he could say that it would have a satisfactory outcome.

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CSO: 4600/1190

## INDIA

### INDIA-GDR TRADE AGREEMENT EXTENDED UNTIL 1990

Madras THE HINDU in English 2 Nov 85 p 1

[Text]

NEW DELHI, Nov. 1.

The trade and payments agreement between India and the German Democratic Republic(GDR) has been renewed for a further period of five years, from 1986 to 1990.

A protocol to this effect was signed here today by Mr. D. Prietz, Deputy Minister of Foreign Trade of the GDR and Mr. Prem Kumar, Union Commerce Secretary. The current trade agreement is due to expire on December 31, 1985.

Both the governments have agreed to give the most favoured nation (MFN) treatment to each other in the matter of imports, exports, customs duties and other taxes etc. The agreement also provides for promotion of trade by identifying new fields of industrial and economic co-operation directly or through joint marketing in their countries.

The principal items of Indian exports to the GDR have been shoe-uppers, finished leather, iron ore, mica, oilcakes, castor oil, jute manufactures, tea, spices, cashewnuts, tobacco and textiles. The share of shoe-uppers and finished leather is the biggest, accounting for 43.56 per cent of all exports, followed by iron ore (17.83 per cent), textiles (10.31 per cent) and tobacco (five per cent).

The GDR exports to India such items as fertilizers, machine tools, photo films, rolled steel products, diesel generating sets, printing machinery and other scientific and technical equipment.

ment. Fertilizers account for 42 per cent of the GDR exports while the share of machine tools and cinematographic films is 6.5 per cent and nine per cent respectively. The trade between the two countries has been slightly favourable to India except in 1984.

At an informal meeting with Indian businessmen after the signing of the agreement, the GDR Minister said that the agreement marked a new stage in bilateral economic relations and would open up new ways towards extending and deepening economic cooperation on a long-term and stable basis. He said that the rupee payment arrangement which had stood the test of time would continue till 1990.

The Minister made it clear that GDR was keen to forge closer links with the Indian private sector, both in respect of trade and technology transfer. In fact, such cooperation had been on the increase over the years and would continue to do so in the future.

**GDR participation:** The FICCI President, Mr. D. N. Patodia, who presided over the meeting, said that Indo-GDR trade at present formed a very small percentage of GDR's global trade. In view of the liberalised policy of the Government of India and the increased industrial activity envisaged in the Seventh Plan, Mr. Patodia invited greater participation of GDR in India's economic development, particularly in the fields of infrastructure, agriculture and engineering.

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CSO: 4600/1163

GANDHI SPEAKS AT PRODUCTIVITY AWARD CEREMONY

New Delhi PATRIOT in English 2 Nov 85 p 5

[Text]

Mr Rajiv Gandhi has expressed his concern over the role of captive market in certain items, which coupled with a lack of consumer awareness was doing immense harm to the quality and content of industrial productivity.

Speaking at the occasion of the annual award presentation ceremony under the aegis of the National Productivity Council in the Capital on Friday, Mr Gandhi said these factors had led to a situation where shoddy goods were dumped in the market to the tremendous disadvantage of all concerned, including the Government.

The Government must start rejecting inferior products, even if they are produced in the public sector, he said.

Productivity was the essence of introducing dynamism in Indian industry. It was not just a question of producing more but of bringing about efficiency in production in all spheres including offices, time and fuel consumption, the Prime Minister said.

He also released a set of books published by the NPC, each dedicated to Jawaharlal Nehru and Indira Gandhi.

Mr Gandhi regretted that country's output ratio had not improved in the manner it should have. In the circumstances, industrialists should have a fresh look into the question of productivity to ascertain how to get out of the hinge and to effect basic efficiency.

The Prime Minister said in the seventh Plan the Government had given priority to

food and employment among other things. Since agriculture accounted for 60 per cent of the national output the similar awards should be extended to the farm sector from this year.

Mr Gandhi said productivity must be a way of life and for that we have to have a different culture and different work ethos. "This is a challenge to which the industry must rise", he added.

He said some countries which were earlier known for their shoddy products have brought about a drastic change in their products and now they are known for their high quality goods. "There is no reason why Indians cannot emulate it", he added.

Perhaps, the Government had a key role to play in it and there was already contemplation to bring about a change in the system of education. "Application of modern technology by medieval minds was not possible", Mr Gandhi said quoting from Jawaharlal Nehru's speech delivered 25 years ago.

Madras based M A Khizar Hussain and Sons bagged the award for Manufacturing, Ancillaries, Cement, Industrial Machinery, Leather and Leather goods, while Haryana Roadways got awards in Machine Tools, Paper (large and small), Power generation, transmission and distribution, Road transport, Mofussil service. Small scale industries were also honoured on the occasion.

Union Industries Minister N D Tiwari, NPC chairman D V Kapur, and NPC director general A N Saxena also spoke at the function.

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CSO: 4600/1162

## NATIONAL DEVELOPMENT COUNCIL MEETS, APPROVES PLAN

## Gandhi Opens Meeting

Bombay THE TIMES OF INDIA in English 9 Nov 85 p 1

[Text]

NEW DELHI, Nov. 8.

THE Prime Minister, Mr. Rajiv Gandhi, said today that the country having reached "a watershed" in industrial development, the thrust of the new policy would be for "absorption of new technology, modernisation, reduction of costs and greater competition."

"With an industry trapped in outdated technology we cannot achieve self-reliance," he said while addressing the meeting of the National Development Council (NDC) which met here today to finalise the seventh plan.

Emphasising that the country must now move to a new phase with focus on increasing efficiency, reducing costs and improving quality, Mr. Gandhi said lower costs would bring industrial products within the reach of the masses, raising their standard of living. "This will further stimulate industrial growth."

Immediately after the Prime Minister's address, the deputy chairman of the Planning Commission, Dr. Manmohan Singh, initiated a discussion on the draft plan prepared by the commission.

## PLAN OBJECTIVES

Explaining the objectives of the plan, Mr. Gandhi said one of the government's fundamental priorities was expansion of employment which would be increased faster than growth of the labour force. "For the first time in the history of planning not only will there

be no current backlog of unemployment, but the previous backlog will also be reduced." The strategy would be a "strategy of work for millions."

Development was not about factories and dams but about the people. It was for this reason that the government had provided proportionately larger allocations for human resource development, the Prime Minister said.

He described the implementation of the sixth plan as a "great success" which had put the country in a strong position to start the seventh. The Indian economy emerged the stronger with an accelerated growth rate, and "we must now build on these foundations."

Development, Mr. Gandhi said, must be accompanied by equality and social justice, by removal of social barriers that oppressed the weak. This was the essence of Socialism and the draft plan presented a comprehensive strategy for achieving these objectives.

The Prime Minister promised to carry forward the country's basic economic policies — industrial, agricultural, scientific and technological — which have served well and given the country "tremendous strength."

Referring to agriculture, he said the main task was to extend the Green Revolution to the Eastern region and to dryland areas. This would help remove regional imbalances and it was the key to a successful attack on poverty.

## MORE PUBLIC INVESTMENT

The Prime Minister emphasised the need for an increased public investment for development of water resources, research and development,

communications and marketing infrastructure. He also referred to land reforms and consolidation of holdings, which were important for social justice.

The anti-poverty programmes, which formed the core of the 20-point economic plan, would be expanded and restructured to give the maximum assistance to families below the poverty line. Likewise, the public distribution system should be expanded, especially in rural areas where it reinforced anti-poverty programmes.

The Prime Minister particularly emphasised the role of the public sector in development. He wanted the public sector to lead the complex and demanding process of absorbing and developing new technologies and spread a new work culture in industry based on productivity, efficiency and quality.

At the same time, the public sector must generate large surpluses for investment. He said and gave the assurance that "as in the past so in the future, the public sector will occupy the commanding heights of our technologically modern economy and industry."

Having noted the strengths, the Prime Minister also listed the weaknesses of the Indian industry, which were a low rate of industrial growth, high cost and uncompetitiveness, and obsolete technology.

In the seventh plan, Mr. Gandhi said, new parameters of efficiency would be established. Infrastructural shortages would be remedied, and appropriate investments would be made in energy, transport and critical materials.

The policy frame would also encourage small-scale and village industries to grow and become more productive and efficient by using better technology.

The Prime Minister stressed the need for family planning and said the programmes would have to be redesigned to make a "decisive dent."

Similarly, degradation of the country's natural environment, which had reached disturbing proportions, must be checked. The Ganga project symbolised the government's will to protect the environment.

Mr. Gandhi concluded his speech with a call to the people to pledge themselves to the implementation of the plan. "The people of India have an abiding faith in the planning process. This plan is an expression of their collective aspirations. Let us entrust it to their care."

Before the deliberations started, the NDC meeting paid homage to the late Prime Minister, Mrs. Indira Gandhi.

Dr. Manmohan Singh called for a "determined and more intense efforts" to mobilise resources for the plan.

Commending the seventh plan document which envisages a massive public sector outlay of Rs. 180,000 crores as against Rs. 97,500 crores in the sixth plan, Dr. Singh said the basic objective was to generate more employment and reduce the poverty line expeditiously.

The plan, he said, had been set in a 15-year perspective. It had been designed to create conditions for a self-sustained growth of the economy by 2000 AD.

Several chief ministers, including those of the Congress-ruled states, today questioned the present system of distribution of resources between the Centre and states at the NDC meeting.

While expressing their disappointment at the outlays fixed by the Planning Commission for their states, the chief ministers sought structural changes in the pattern of Central assistance to take care of the states' special needs.

The chief ministers' speeches gave a clear indication that it was beyond their capacity to mobilise additional resources, as estimated by the Planning

Commission. The additional resource mobilisation is the major plank on which the commission has fixed an outlay of Rs. 180,000 crores for the public sector in the plan.

The Maharashtra chief minister, Mr. Shivajirao Patil-Nilangekar, went to the extent of demanding a further revision of the Gadgil formula on Central assistance. But the criticism by Mr. Ramakrishna Hegde and Mr. N. T. Rama Rao was more strident.

Mr. Rama Rao, Andhra Pradesh chief minister, demanded scrapping of all Centrally-sponsored schemes forthwith and his Karnataka counterpart, Mr. Hegde, insisted that no such scheme should be introduced or outlay on them increased unless the issue was discussed and approved by the NDC.

PTI adds: Mr. Shivajirao Patil-Nilangekar urged the Centre to take "corrective measures" against the "distortion" caused by tendencies of certain neighbouring states to lower the rates of sales tax and levy of different rates of tax on goods.

Such practices, he said in his address to the NDC without naming the states, resulted in a "disproportionate" diversion of trade among the states concerned.

These "corrective measures" were necessary if the states were to raise additional resources (of about Rs. 4,000 crores in the first year of the seventh plan), the chief minister said.

Mr. Nilangekar raised the issue of overcrowded and congested Bombay city, and pleaded for a special Central assistance of Rs. 1,000 crores for creating necessary infrastructure required for providing basic amenities like water supply, housing, transport, etc. to the harassed people of the metropolis. He reiterated his government's opposition to Telugu Ganga project and said the Centre should prevent the Andhra Pradesh government from executing the project.

Gandhi, Finance Minister Speak

Bombay THE TIMES OF INDIA in English 10 Nov 85 p 1

[Text]

NEW DELHI,  
November 9.

THE National Development Council (NDC) today approved the draft seventh plan which envisages a total investment of Rs. 3,22,366 crores to achieve an overall growth rate of five per cent for the economy during the next five years (1985-90) and launch a direct attack on the problems of poverty, unemployment and regional imbalances.

A resolution adopted by the NDC under the chairmanship of the Prime Minister, Mr. Rajiv Gandhi, endorsed the draft and called upon all agencies concerned "to make all-out efforts with the active co-operation of the people to ensure its successful implementation."

The West Bengal chief minister, Mr. Jyoti Basu, while agreeing with the objectives of the plan, rejected the strategy and programmes. He, however, assured that his government would endeavour to implement the plan.

Concluding the two-day deliberations of the NDC, the Prime Minister allayed the fears expressed by some of the chief ministers, particularly those of the non-Congress states. He said there was no question of changing the basic objectives of planning and his vision was the same as that of the founder of planning in India, Mr. Jawaharlal Nehru.

Yet, at the same time, Mr. Gandhi said, one could not be a slave to dogmas. The country must change with changed circumstances.

Mr. Gandhi reaffirmed that removal of poverty would remain the basic principle and the purpose of planning, but it could be removed only through adoption of better technology both in industry and agriculture.

Mr. Gandhi refuted the charge that the planning commission was being downgraded. The question just did not arise. There was also no reduction in the role of the public sector.

The Prime Minister dealt at great length on Centre-state relations. Referring to devolution of resources, he said he did not foresee any conflict between the two for planning in a country where resources were scarce. When the Centre spent, the benefits accrued to the states. The issue was of "pooling and not sharing" of resources.

Mr. Gandhi accepted a suggestion that the NDC should meet more frequently and said that another council meeting would be convened soon to discuss human resources development.

He promised to give more time to the states to study the plan document, but pointed out that the time given this time was more than on earlier occasions. He agreed that the plan document should not be treated as confidential.

The Prime Minister referred to the demand made at the meeting for withdrawal of an earlier resolution disapproving of the walk-out by four non-Congress chief ministers last year and said: "Let us bury the past and hope that such things will not happen again."

Defending the government's tax policy, Mr. Gandhi said the objective was to collect more money. Lower taxes were preferable if they brought in more revenue.

He asserted that self-reliance was the main thrust of the economic policy. But this did not mean production within the country at higher than international costs. "We must look into costs of import substitution."

Briefing newsmen on the deliberations of the meeting, Dr. Manmohan Singh, deputy chairman of the planning commission, said the NDC examined the commission's recommendations on reports of the three expert groups on some aspects of planning.

With regard to the Rangarajan committee report on inflationary accounting, the NDC agreed with the planning commission that it was not feasible to accept it.

The NDC also accepted the view of the planning commission on the report of the Kartikeyan committee on maintenance of schemes. Accordingly, the NDC authorised the commission to strictly monitor maintenance expenditure in selected sectors such as irriga-

tion, power and roads. But the inclusion of maintenance expenditure in plan expenditure, which the committee suggested, was not found practicable.

As for the recommendations of the Ramamurthy committee on the future of Centrally-sponsored schemes, divergent opinions were expressed by chief ministers at the meeting. The planning commission had recommended to the NDC to set up a small committee to find out which schemes should be retained or scrapped. The NDC endorsed this view and authorised the Prime Minister to set up a committee to go into the recommendations of the Ramamurthy committee.

Dr. Singh said if the proposed committee recommended scrapping of some Centrally-sponsored schemes, and these were approved by the NDC, the commission would make the necessary changes in the plan.

#### CHARGE REFUTED

Speaking at the NDC meeting, Mr. V. P. Singh, finance minister, refuted the charge that the states' share in resources was going down, and defended the tax concessions which, he said, were bringing in higher revenue.

He rejected the suggestion that resources mobilised through deficit financing should be shared between the Centre and the states.

Dr. Manmohan Singh, in his address, assured the NDC that safe-drinking water would be supplied to all problem villages by the end of the plan period. Similarly, health care would expand and the immunisation programme would be strengthened.

The plan, he said, had laid special stress on reducing regional disparities by increasing productivity in agriculture in the eastern region. He expressed the hope that at the end of the plan period, agricultural growth would be more even.

With regard to the demand for new railway lines by several chief ministers,

the deputy chairman said the first priority was to rehabilitate the railway system. If, however, more money was available at the time of the mid-term review, it would be used for opening new lines.

The draft plan, as approved by the NDC, envisages a total investment of Rs. 3,22,366 crores, of which Rs. 180,000 crores will be in the public sector at 1984-85 prices. The plan has been formulated as part of the longer-term strategy which seeks to virtually eliminate poverty, illiteracy and achieve near full employment by the year 2000 A.D.

The plan aims at achieving an overall growth rate of five per cent, with the growth rate of agriculture fixed at four per cent and that of industry at eight per cent.

The poverty ratio is expected to decline from 36.9 per cent in 1984-85 to 25.8 per cent in 1989-90. The number of people below the poverty line will come down from 272.7 million to 210.8 million.

Deficit-financing will be to the tune of Rs. 14,000 crores and net borrowings, Rs. 30,562 crores.

As much as 94 per cent of the total investment will be financed from domestic funds, which will necessitate a "tremendous effort" at resource mobilisation.

The ratio of savings will go up from 23.3 per cent of the gross domestic product (GDP) to 24.5 per cent by 1989-90, and the rate of gross investment will rise from 24.5 per cent of GDP in 1984-85 to 25.9 per cent.

PTI adds: The Punjab chief minister, Mr. Surjit Singh Barnala's plea that the state be accorded a special treatment in economic development attracted favourable attention of the Prime Minister, at the NDC meeting.

Mr. Rajiv Gandhi singled out Mr. Barnala's remarks on Punjab as a special problem state for financial support.

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CSO: 4600/1175

## PROGRAM PLANNED TO IMPROVE PLANNING CAPABILITY

Madras THE HINDU in English 4 Nov 85 p 6

[Text]

NEW DELHI, Nov. 3.

A work programme has been prepared to improve the capability of the Planning Commission for investment planning, policy analyses in key sectors, evaluation of performance and monitoring of progress.

This has been done at the instance of the Prime Minister, who has felt that the Planning Commission's role should not be confined to mere allocation of financial resources to different sectors.

As part of the work programme, the Perspective Planning Division is to be restructured by the induction of a team of highly-skilled experts to work in selected sectors and make an exhaustive study of the medium and long-term strategies for these sectors. The aim will be to identify key options both within the individual sub-sectors and also among sectors on the basis of close interactions with the Ministries concerned. It is expected that this exercise will provide the necessary input for the mid-term review of the Seventh Plan and for the formulation of the Eighth Plan.

In this context, it is pointed out that the Planning Commission has been so far undertaking quantitative modelling aimed at making a consistent set of projections for the major sectors of the economy. This modelling is done at two levels. At the macro level, the Commission uses a consistency model based on an 89 sector input-output matrix. The Commission also uses sub-models for individual sectors such as agriculture, energy and industry which provide greater detail about the sectoral projections. The models used at present need to be fed by information emanating from sufficiently detailed analyses of policy choices in each sector over the medium and long-term, including technological choices.

**Staff reorganisation:** Simultaneously, an exercise has been initiated to restructure the Commission's Secretariat to enhance its capabilities for analytical work. The Commission's staff structure will be redeployed taking into account the new priorities. Although the proposed reorganisation will have to wait until the Seventh Plan exercise has been completed, a few areas requiring priority attention have already been identified.

Another task is to upgrade the Commission's capabilities for analytical work in exploring development policy alternatives and feasible options. From time to time, issues relating to poverty, employment, income distribution, urbanisation, regional imbalances, financial policy, balance of payments, industrial policy, agricultural pricing policy and human resources development will be taken up for intensive examination to bring out the scope and direction of policy reform.

Papers emerging from such examination will be submitted to the Government for consideration.

Representatives of industry, labour and various Government organisations will be associated with standing working groups to analyse sectoral developments in capital goods, intermediate products, consumer goods industries and export-oriented industries.

The Commission's monitoring of major plan projects and programmes will be strengthened. The Commission has to depend on various ministries at the Centre and the State Governments for providing the data for its monitoring work. However, arrangements for concurrent monitoring and independent evaluation of selected plan programmes are proposed to be strengthened.

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CSO: 4600/1166

ANALYST ON APPOINTMENT OF NEW GOVERNORS

Madras THE HINDU in English 15 Nov 85 p 1

[Article by G.K. Reddy]

[Text]

NEW DELHI, Nov. 14.

The Governor of Andhra Pradesh, Dr. Shankar Dayal Sharma, has been appointed Governor of Punjab in place of Mr. Arjun Singh, who has tendered his resignation presumably to be assigned to a key place either in the Central Cabinet or in the party organisation.

A former Deputy Minister at the Centre, Miss Kumudben Joshi, has been appointed Governor of Andhra Pradesh in Dr. Sharma's place.

The former Chief Minister of Maharashtra, Mr. Vasantrao Patil, has been appointed Governor of Rajasthan to fill the vacancy caused by the recent retirement of Air Chief Marshal O. P. Mehra on completion of his normal tenure.

### Surprise development

A surprise development today was that the Lt. Governor of Delhi, Mr. M. M. K. Wali, also resigned for which no reason was being assigned by the high Government circles here. He is evidently earmarked for some other assignment.

His successor, Air Vice Marshal H. L. Kapur, is a nominated member of the Rajya Sabha and had been closely associated with the security arrangements during Asiad and non-aligned summit conferences in Delhi.

All these appointments which were announced in a special communique from Rashtrapati Bhavan this evening followed an early announcement that the Governor of Himachal Pradesh, Mr. Hokishe Sema, had been asked to

hold concurrent charge as Governor of Punjab following Mr. Arjun Singh's resignation. He was hurriedly sworn in at Chandigarh in the afternoon.

It was not explained why he was sworn in at such short notice, if the appointment of Dr. Sharma as the next Governor of Punjab was going to be announced within a few hours of it. Dr. Sharma is expected to assume charge in Punjab in the next few days. The Prime Minister has specially chosen him to look after this sensitive State.

All these decisions were taken only yesterday and the persons concerned were informed about these appointments and transfers either last night or this morning after they had been contacted in their respective State capitals and called to Delhi.

### Other appointments

At the bureaucratic level, three promising young officers of the level of Deputy Secretaries have been added to the Prime Minister's office. These include Mrs. Meera Shekhar of the Indian Foreign Service, who is an expert on Sri Lanka, and two other IAS officers, Mr. Pulok Chatterji and Mr. Rahul Khullar, the first one to assist in media and public relations work and the other to deal with economic subjects.

There are already two officers of Additional Secretary level, Dr. Montek Singh Ahluwalia and Mr. Otina Bordie, handling the economic wing in the Prime Minister's office.

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CSO: 4600/1183

## GANDHI OPENS SCIENTISTS' MEETING IN DELHI

Bombay THE TIMES OF INDIA in English 15 Nov 85 p 12

[Text]

NEW DELHI, November 14.

**T**HE Prime Minister, Mr. Rajiv Gandhi, has called for launching selected science and technology missions with adequate funding and specific targets with a view to establishing Indian leadership in some advanced areas.

He wanted the department of science and technology to propose a short list of such areas for selection of some 10 technology missions in areas of importance for this country.

Inaugurating a two-day meeting of some 200 scientists organised by the department yesterday, Mr. Gandhi said Indian scientists deserved major tasks in the frontier areas and not just petty import substitution projects.

The missions should be selected on the basis of the country's capabilities and requirements with the objective that, in the next five or ten years, this country could emerge as a significant presence in the world.

The task required a multi-disciplinary effort and involvement of not just the scientific community but also of extension agencies and administration who could deliver a comprehensive package to the people.

Referring to the problems of science management posed earlier by Prof. Yash Pal, secretary, department of science and technology, and Prof. M. G. K. Menon, member, planning commission, the Prime Minister conceded that bureaucracy in the country was more tuned to the traditional tasks. He promised to streamline administration with a view to removing the hurdles being faced by scientific workers.

He also asked scientists to accept the principle of accountability. Basic research could not be evaluated in terms of commercial returns but this test should be applied to industrial research. Unpromising projects should be scrapped and new tasks undertaken as a matter of routine, he said.

Mr. Gandhi also underlined the importance of scientific temper which alone could ensure that a work culture suited to high technology was evolved. Unless science and technology was integrated with culture, the chances of India entering the 21st century would be bleak.

There would be demand for new technologies and better products only if science was understood by the common man. He said the earlier concept of import substitution had limited the scientists' task to replacing imported technologies.

While taking up new major tasks, the scientists should evolve a system of constant monitoring and ensuring that cost and time targets were kept. Instead of spreading resources all round for similar projects, there should be concentrated effort and single-point responsibility, the Prime Minister said.

Prof. M. G. K. Menon said government policies must ensure that the market forces made a demand on indigenous technology. He quoted the late Dr. Homi Bhabha as having said that foreign collaborations could not lead to self-generating industrial growth.

Prof. Menon expressed concern over the scientific disciplines not being able to attract brilliant people and also over the misutilisation of scientific manpower.

Mr. Shivraj Patil, minister of state for science and technology, told the scientists that autonomy and accountability went together.

Prof. Yash Pal pointed out that there had been some excellent scientific work in the country but much of the effort was not coupled with specific missions.

**PTI & UNI add:**

Family planning, agriculture, energy and eradication of poverty were some of the areas where, Mr. Gandhi said, the missions could be launched.

"A mission is much wider than developing a technology," he explained. In a mission, scientists would develop techniques, technologists would implement them and there would be a huge administration to take the technologies to the people and involve them in the mission, Mr. Gandhi said.

Mr. Gandhi said the missions, therefore, would involve more than the science and technology community.

The agencies handling the missions would be given greater freedom, proper founding and would not suffer from too much interference.

While earlier policies did well in establishing a few top laboratories, they failed to change the culture of people without which India could not move ahead, he told the scientists.

"I don't think we are doing enough in building excellence in science or improving the quality of our products," Mr. Gandhi said, adding that Indian industry, almost entirely based on imported or copied technology, "is not even making a plain paper tape."

He said India's achievements in a few areas like space and atomic energy had not changed the culture of people. "There will be demand for new technologies only if science is understood by the common man," he said.

Reiterating his earlier stand on import of technology the Prime Minister said Indian scientists should stop developing substitutes if they could import at a price cheaper than the cost of their development.

"The concept of import substitution was important 30 years ago but today the situation has changed," Mr. Gandhi said. While import substitution was okay for military hardware it was not so for products of normal everyday use.

**UNI adds:**

Mr. Gandhi sought suggestions from the top scientists for tackling managerial problems in the area of science and technology.

"Our bureaucracy is good in the area in which it is trained. When the area is changed, we are bogged down. Science and technology is one such field," he said.

While the policies in science and technology had brought in good results in the past, these should be spread to more areas, he said.

The two-day conference will have five technical sessions. These would be on "science and technology and education," "areas of strength and weakness in Indian science and technology," "linkages and science and technology missions," "mobilisation of scientists and technologists from India and abroad" and "organisational aspects and environment."

/9317  
CSO: 4600/1181

MUKHERJEE DENIES HE SOUGHT PRIME MINERSHIP

Bombay THE TIMES OF INDIA in English 13 Nov 85 p 9

[Text]

CALCUTTA, November 12.  
THE former Union finance minister, Mr. Pranab Mukherjee, has claimed that it was he who had formally requested Mr. Rajiv Gandhi to take over as the Prime Minister. He says he had made the request in the aircraft in which they were returning to Delhi from West Bengal on hearing the news of Mrs. Indira Gandhi's assassination.

In an article in an English fortnightly published from here, "Point Counter-point," Mr. Mukherjee has sought to deny the story being spread that he had staked his claim to the prime ministership and said he did not speak out so long as he was waiting for the period of "gurudasa" (one year after a person's death) to be over.

Mr. Balram Jakhar was also aboard the same aircraft and Mr. Mukherjee said he had made the request to Mr. Gandhi after the Lok Sabha speaker had asked him to do so. He also said that on arrival in Delhi it was he who had dictated the letter to the President

requesting him to appoint Mr. Gandhi as the Prime Minister. He says: "As Indiraji's son, he was the best available person to get the benefit of the nation's emotional upsurge."

In his article, Mr. Mukherjee has referred to a newspaper story in which it was mentioned that he had been snubbed by Mr. P. V. Narasimha Rao for staking his claim to the prime ministership and added: "It is still a surprise to me why Mr. Narasimha Rao chose to spread such a blatantly untrue story when he had not said a word about it.

Mr. Mukherjee's animosity towards his arch rival, Mr. A.B.A. Ghani Khan Chowdhary, also comes out in the article. He said the stories about him were "spread by a group of journalists belonging to the blessed circle of a powerful Central minister then and now."

Mr. Khan Chowdhary was also travelling by the same aircraft but Mr. Mukherjee made no mention of what he had done while the prime ministership was being offered to Mr. Rajiv Gandhi.

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CSO: 4600/1177

## AASU SUBMITS MEMORANDUM TO GANDHI, HOME MINISTER

New Delhi PATRIOT in English 29 Oct 85 p 5

[Text]

**Guwahati, Oct 28 (UNI)** — The All-Assam Students Union, in a memorandum to Prime Minister Rajiv Gandhi, has alleged that the accord on the aliens' issue was not being implemented in the spirit in which it was reached.

The memorandum, submitted to Mr Gandhi by a four-member AASU delegation including its president Kartick Hazarika and general secretary Sashaekhar Kakati, said any attempt to bypass the accord "unilaterally" would be resented.

The memorandum, copies of which were released here on the return of the delegation from Delhi, said though more than two months had passed after the signing of the accord, "no effective steps whatsoever" had been taken to implement any of its clauses and "there is already a move to undermine what you (Prime Minister) promised to the nation on 15 August, 1985".

The delegation members requested the Prime Minister to drop the move to amend the Foreigners Act for conferring citizenship rights on people who entered the State between 1966 and 1971.

They said the amendment would be violative of the spirit of accord. The people of Assam were already agitated over such a move and con-

sidered this to be the first step to undermine the accord, they said.

The AASU leaders said "we apprehend that the political lobbies behind this move are the same which were against the accord. The move also gives rise to some vital questions for the people of Assam".

In a separate memorandum to Union Home Minister S B Chavan, the delegation members said most Government employees who were "victimised" for participating in the Assam agitation were "falsely chargesheeted" for being connected with "violent activities".

In a third memorandum to the Chief Election Commission, the AASU leaders said they were determined not to allow the "non-citizens" to usurp political rights and any attempt to impose another invalid electoral roll would be "resisted with all the force at their command".

They invited the Chief Election Commissioner to visit some of the places in the State to see for himself how the commission's directives on disposal of claims and objections to the electoral rolls were being ignored.

They alleged that those who filed the objections were being harassed and election officials were asking them to produce documents like 1951 NRC and 1971 electoral rolls which were not in their possession.

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CSO: 4600/1158

## ANALYST ON EFFORTS TOWARD INDO-JAPANESE COOPERATION

Madras THE HINDU in English 13 Nov 85 p 7

[Article by G.K. Reddy]

[Text]

NEW DELHI, Nov. 12.

The Cabinet Secretary, Mr. P. K. Kaul and the Additional Secretary in the Prime Minister's Secretariat, Mrs. Protima Bordia, are leaving for Tokyo tonight for high level preparatory talks on the eve of the official visit of the Prime Minister, Mr. Rajiv Gandhi, to Japan.

The Prime Minister will be accompanied by the External Affairs Minister, Mr. B. R. Bhagat and the adviser on economic reforms, Mr. L. K. Jha, to assist him during his talks with the Japanese Prime Minister, Mr. Yasuhiro Nakasone and others on the possibilities of increased Indo-Japanese economic and technological cooperation.

An agreement on technological cooperation is due to be signed by the Foreign Ministers of the two countries during Mr. Rajiv Gandhi's visit. The Government of India wants this agreement to be as comprehensive as possible to serve as a basis for wide-ranging industrial cooperation, while the Japanese Government would like to see India adopt a more broad-based than a piecemeal approach to both technology transfer and financial participation.

The basic ground work for these talks was done two months ago when Mr. L. K. Jha led a high-power Indian industrialists delegation to Japan to identify the areas for this increased cooperation and assess the degree of Japanese interest in it. He returned quite satisfied with the new awareness in Japan of the vast opportunities open for Japanese participation in India's industrial development.

The President of the Overseas Economic Cooperation Fund (OECF) of Japan, Mr. Y.

Hosomi, will be visiting Delhi later this month, after the Cabinet Secretary has returned from Tokyo, for follow-up discussions. The OECF deals with yen credits that are extended to foreign countries to finance export of Japanese capital goods and technological collaboration agreements.

It is still an open question whether all this activity is going to add up to a major step forward in Indo-Japanese cooperation. But what is important is that every possible effort is being made, consistent with the policies of the two countries, to extend this cooperation to the extent possible in the present circumstances.

The Prime Minister has expressed the hope, in an interview to the foreign editor of the prestigious *Japan Economic Journal* a few days back, that his country would actively involve itself in the next phase of India's industrial development aimed at the induction of better technology for achieving higher productivity in many spheres. He wanted Japan to get away from "time-consuming negotiations and excessive insistence on purchase of capital goods and ancillaries from it".

After a two-day visit to Vietnam, Mr. Rajiv Gandhi will be arriving in Tokyo on November 28 on a four-day trip for talks with the Japanese Prime Minister and his senior Cabinet colleagues as well heads of Japan's leading industrial establishments and financial institutions. He will be addressing a joint meeting of the India-Japan business council during his stay in Tokyo, an innovation that he started during his Paris visit.

/9317  
CSO: 4600/1178

## ANALYST DISCUSSES IMBALANCE IN INDO-PAKISTAN TRADE

Madras THE HINDU in English 14 Nov 85 p 9

[Article by G.K. Reddy]

[Text]

NEW DELHI, Nov. 13.

The Pakistan's Minister for Finance, Economic Affairs and Planning, Dr. Mahbub-ul-Haq, will be arriving in New Delhi tomorrow evening for discussion on further enhancement of economic cooperation between Pakistan and India.

He will be accompanied by the Secretary-General, Economic Affairs Division, Mr. Ejaz Naik, and the Commerce Secretary, Mr. Mukhtar Masood.

During his stay here, Dr. Mahbub-ul-Haq will call on the Finance Minister, the Foreign Minister, Deputy Chairman, Planning Commission and the Minister of State for Commerce. The Pakistan delegation will also visit the India International Trade Fair.

**Renowned economist:** Educated at Cambridge, Yale and Harvard Universities, Dr. Mahbub-ul-Haq is an internationally reputed economist who specialises in development problems of the Third World. He served as the Director of Policy Planning in the World Bank, before being appointed Deputy Chairman of the Planning Commission in his country.

Our Special Correspondent reports:

According to Planning Commission sources, the talks will cover the entire range of economic relations between the two countries, especially the highly unfavourable trade balance. Trade figures for the past four years show that imports from Pakistan are almost four times the exports from India to that country. The 1983-84

trade figures, however, indicated a considerable narrowing of the gap with exports to Pakistan valued at Rs. 11.77 crores while imports were 27.79 crores.

**Pak. restriction on imports:** The trade imbalance between the two countries had been caused by Pakistan's insistence on canalising all trade with India through the Pakistan Trading Corporation (PTC) and restricting imports from India to only 42 items. This, according to officials, is in contravention of GATT provisions. India, on the other hand, has based its export-import policy on purely commercial considerations, not allowing anything else to interfere with bilateral trade.

As an example, it has been pointed out that last year Pakistan imported eight lakh tonnes of wheat from other countries, paying as much as 15 dollars per tonne extra as freight while it could have imported the same from India saving much of the freight expenditure.

Trade between the two countries was reopened on a Government to Government basis in 1975 after a gap of many years. In 1976 another agreement was signed to allow private sector trade but it expired in 1978. It has not been renewed so far except for the selective 42 items which Pakistan allows to be imported from India.

In the main, India sells iron ore, tea, betel nuts and pan to Pakistan while it imports huge quantities of fertilisers and, recently, 75,000 bales of short and medium staple cotton leading to trade imbalance.

/9317  
CSO: 4600/1180

## GANDHI INAUGURATES INTERNATIONAL TRADE FAIR IN DELHI

Calcutta THE TELEGRAPH in English 15 Nov 85 p 6

[Text]

**New Delhi, Nov. 14 (PTI):** The Prime Minister, Mr Rajiv Gandhi, today decried the move of some advanced countries to bring services and certain other new items into the agenda of the forthcoming meeting of the General Agreement on Tariff and Trade (GATT).

Inaugurating the India International trade fair, here, Mr Gandhi said while India was always ready for any discussion it would like to see that a system, which will give equitable justice to all, was established.

He regretted that even what was agreed to at the last GATT meeting had not been implemented. "They (the decision) should be implemented before we commit ourself further," he said.

Nearly 35 countries from different parts of the world and over 25 reputed overseas companies are among the participating in the two-week annual fair, organised by the Trade Fair Authority of India (TFAI).

#### No free market

Mr Gandhi regretted that though the developed countries talked of a free market, they were the first of clamp down restrictions and impose quotas on imports from developing countries.

Stressing the vital need for South-South cooperation, Mr Gandhi hoped that international

fairs would bring about such cooperation.

Mr Gandhi said he was happy that the South Asian Regional Cooperation (SARC) countries were participating in a group at the fair. The cooperation among these countries, especially in the field of trade and commerce, was increasing, he said.

The Prime Minister said that export was very crucial for the Seventh Plan, which envisaged an industrial growth rate of eight per cent. The Plan will pave the way for a very large Indian market not only to "run our own industries but also certain types of industries abroad."

The export of products should be based on merit and "our products must be competitive in cost and quality," he said. Quality, he added, had long been a problem with our industry. It had improved but we have to do a lot more in this direction, he said.

Other weaknesses that came in the way of increased exports were absence of design and lack of adequate marketing. He called for the establishment of a design institute, which will bring new ethos in the country's exports.

The Prime Minister was happy that the fair was being inaugurated on the birthday of Jawaharlal Nehru, who was mainly instrumental in making India what it was today. Removing

poverty, achieving self-sufficiency in economy, and development of industries and science and technology were all his vision, he said.

Mr Gandhi regretted the non-participation of some leading private sector industries. "I am told that many Indian companies, who should have participated have not taken the type of interest we would have liked them to," he observed.

The commerce minister, Mr Khurshid Alam Khan, in his welcome address, said that the government would endeavour to create an environment which would be conducive to rapid export growth and efficient import substitution.

#### Diploma course

Mr Khan said that the TFAI proposed to institute a diploma course on trade fairs and exhibitions management.

Prominent among the highlights of the fair is the focus on the attractive displays by member-countries of SARC—Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka—as a group, providing a glimpse of their industrial development and technological competence.

Another highlight is the first international oil and natural gas machinery exhibition, organised by the Association of Indian Engineering Industry.

/9317  
CSO: 4600/1182

## SOVIET EXHIBIT TO ENCOURAGE SOVIET-INDIAN TRADE

Calcutta THE TELEGRAPH in English 5 Nov 85 p 6

[Text]

**Moscow, Nov. 4 (UNI):** In a bid to acquaint Indian industrialists with Soviet technological strides, the Soviet Union will put on display some of its finest machinery in two upcoming exhibitions in New Delhi and Bombay.

The exhibitions are expected to help provide fresh impetus to Indo-Soviet trade ties which, the Soviet Union feels, need radical restructuring, according to Mr Vladimir Pletnev, deputy chairman of the chamber of commerce and industry.

In a conversation with Indian reporters based here, Mr Pletnev regretted that India and the Soviet Union did not fully appreciate the potential of each other's market.

The coming exhibitions would give Indian industrialists an opportunity to do that.

Twenty-six Soviet foreign trade agencies will put on display more than 4,000 exhibits at the international trade fair in New Delhi.

According to Mr Pletnev, hundreds of Soviet production units and research and design bodies will familiarise Indian businessmen with Soviet achievements in the field.

A highlight of the Soviet industrial fair in Bombay, which will be held from December 15 to 28, will be gas pipeline equipment.

The equipment allows synchronisation of all technical processes and increases productivity four to five times. The Soviet Union is a leader in gas pipeline technology.

Mr Pletnev said the Soviet Union was keenly interested in importing Indian trucks, cranes, railway cars, water purification systems and dairy plants.

He said negotiations were continuing between India and the Soviet Union on setting up hotels in Central Asia by Indian hoteliers on a turnkey basis.

Mr Pletnev also disclosed that more than 200 Soviet inventions have been patented in India and the Soviet side had expressed its desire to patent Indian inventions in the U.S.S.R.

Mr Pletnev also spoke of the possibilities of collaborating in construction projects in third countries and setting up joint production units. Talks were held recently between the Federation of Indian Chambers of Commerce and Industry (FICCI) and its Soviet counterpart on this subject.

Mr Pletnev indicated that the Association of Indian Engineering Industry (AIEI) will soon open an office in Moscow.

He also disclosed that the deputy foreign trade minister, Mr Grishin will lead the Soviet delegation to the December trade talks between the two countries, which are expected to culminate in a new five-year trade plan.

/9317

CSO: 4600/1169

## CPI-M REPORTEDLY WARY OF TIES WITH CPSU

Calcutta THE TELEGRAPH in English 14 Nov 85 p 1

[Article by Tarun Ganguly]

[Text]

**Calcutta, Nov. 13:** The CPI(M), which has been trying to build bridges with communist parties elsewhere since its formation in 1964, is not very keen on having immediate party-to-party relations with the Communist Party of Soviet Union (CPSU).

The CPSU had expressed its desire to build such a relation with the CPI(M) when a party delegation, headed by Mr Jyoti Basu, visited Moscow last month. Though the matter was raised at the party central committee meeting, a final decision will only be taken at the party congress scheduled for late December. Political observers maintain that the party leadership, which had established fraternal relations with the Chinese Communist Party (CPC), does not want to proceed on the matter without the final approval of the party congress. Interestingly one of the main reasons for split in the undivided Communist Party in 1964 was over its relations with the CPSU. Moreover, a large section of senior party members from West Bengal and Kerala still have reservations about the CPSU.

Following the division of the party in 1964, the CPI(M) was branded pro-Chinese, while the CPI was dubbed pro-Moscow.

The CPI(M)'s relations with the CPC got a jolt in 1967-68 when Radio Peking openly supported the Naxalite movement in West Bengal and elsewhere in the country. Thereafter, the CPI(M) remained isolated within the international Communist movement for a long time. It has now relations with the Romanian, North Korean and Vietnamese parties as well as fraternal relations with the Chinese Communist Party.

The CPSU, which normally follows the formula of having ties with "one Communist Party in one country," has paradoxically ties with two communist parties in Japan. It has links with the CPI in India, and now is ready to have relations with the CPI(M) indicating a shift in CPSU's policy towards communist parties in the Third World.

In fact, both CPSU and the CPC are eager to expand their areas of influence over communist parties in the Third World. The CPC has extended an invitation to Mr Rajeswara Rao, general secretary of the CPI. The CPI has so far played it cool. In case the CPI(M) congress accepts the CPSU offer, then CPI might change its stance towards the Chinese Communist Party.

/9317  
CSO: 4600/1179

## CONGRESS-I LEADERS FAVOR STRONG CENTER, STRONG STATES

Madras THE HINDU in English 31 Oct 85 p 1

[Text]

NEW DELHI, Oct. 30.

Senior Congress (I) leaders who met today to discuss the party's memorandum to the Sarkaria Commission, favoured the idea of a strong Centre as well as strong States. This marked a departure from the note prepared for the meeting by the former Law Minister, Mr. P. Shiv Shankar, which made out a case for heavy centralism.

They were of the view that a strong Centre with weak States would be as dangerous as a weak Centre with strong States. Obviously, they did not see any contradiction between the authority of the Centre and the units.

**Two sub-committees set up:** The Prime Minister, Mr. Rajiv Gandhi, presided over the meeting which was attended by the members of the Congress (I) Working Committee, Chief Ministers of party-ruled States and senior Central Ministers. After 90-minute discussions, it set up two sub-committees to prepare documents in the light of the ideas mooted today. One panel will deal with financial aspects of the Centre-State relations and the other with the remaining matters. The bigger group will meet again next month.

Mr. Gandhi did not speak but occasionally interjected in the discussions which was described as informal. He wanted the party to keep an open mind on the subject while the Centre should be strong, the States too needed to be strengthened, he said.

The Kerala Chief Minister, Mr. K. Karunakaran, the former Union Finance Minister, Mr. Pranab Mukherjee, and the former Karnataka Chief Minister, Mr. Gundu Rao, were among those who were active in the discussions. It was their advocacy—based on their experience in the administration—that led to the decision to emphasise the powers of the States.

Financial arrangements between the Centre and the States, it was felt, held the key to their relationship. And in this context, there was a stress on the need to accommodate the States in the devolution of financial resources. Mr. Mukherjee dilated on the existing arrangements.

**Office of Governor:** The meeting did not, however, share the Opposition view that the office of Governor be abolished. This institution, it was felt, had served a useful purpose. Most of the criticism against the Governors, it was noted, related to their role in conditions of political instability, but they would be less vulnerable to attacks now that the anti-defection law had been passed. There was general support for the all-India services.

The Sarkaria Commission is yet to hear from the important political parties, although it has received replies from 14 State Governments to its questionnaire. The Home Ministry's consultative committee, which also met today, was told of how the Commission viewed its role. It was keen to hear and discuss the problems arising from the working of Centre-State relations with all interested parties, including most, if not all, the State Governments, before finalising its viewpoint.

/9317

CSO: 4600/1160

## CPI-M REPORTED TO BE LOSING HOLD IN TRIPURA

Bombay THE TIMES OF INDIA in English 11 Nov 85 p 21

[Article by Sumanta Sen].

[Text]

## AGARTALA:

**A**FTER being in office for seven years now, the CPM in Tripura is finding it extremely difficult to prevent the ground slipping from under its feet.

Whether it is the tribals in the hills or the Bengalis in the plains, wherever the Marxists look they find unmistakable signs of erosion in their support and, consequently, gains for their opponents. Proof of this can be had from the results of the last assembly elections and, more recently, the autonomous district council polls.

The situation has been complicated by the fact that the ruling Marxists are facing a leadership crisis. It is no secret that whether it is the party or the administration, the key figure is the octogenarian chief minister, Mr. Nripen Chakravarty, and right now there is no answer to the obvious query: "After Chakravarty who?"

## CHARGES OF CORRUPTION

In fact, his predominant position has earned for the chief minister from his critics the sobriquet "dictator". This is palpably unfair as they are fully aware that there is no one else in Tripura who can match his personality or competence. Such criticism, however, has had an effect on Mr. Chakravarty, who is now constantly searching for loyalists, whether in the party or the ministry.

The result has not always been desirable for the state and there are serious allegations that mounting charges of corruption are being ignored

in the interest of gaining political support. In a small place like Agartala nothing remains secret for long and these charges are being profitably used by the opposition.

## BANE OF FACTIONALISM

The nature of the Communist movement's development in Tripura is, to a large extent, responsible for its predicament. Among the Bengalis, the CPM's influence had remained confined to the large number of government employees who saw in the party a sure means of getting their demands met.

But there is a limit to which demands can be conceded, and in the recent past a section of these people have become dissatisfied with the party for this very reason.

What has added to their discontent is the chief minister's style of functioning. He has reportedly encouraged factionalism within the employees' organisation, the dividing line being not pro-CPM and anti-CPM, but pro-Chakravarty and anti-Chakravarty.

The latest victim of this situation was Mr. Ajoy Biswas, MP, who was dropped from the state committee of the party for having, among other things, sought to "embarrass the government with his persistent demands for payment of several instalments of dearness allowance due to the employees."

## 'BUREAUCRATIC' APPROACH

While in the Communists' scheme of things it is the party which should run the administration, in Tripura it is

claimed to be the other way around. Within the CPM, there are serious reservations about this. For instance, the party secretariat is supposed to oversee the activities of the ministry but in practice this becomes meaningless because a majority of the secretariat members are themselves ministers and cannot be expected to be critical of their own functioning. This was mentioned by several delegates at the state conference but the situation is unlikely to undergo any change.

There are also charges that the overwhelming presence of the administrative wing has resulted in the development of a "bureaucratic" attitude among various party functionaries and today they are not prepared to give even a patient hearing to their comrades who approach them with various problems.

#### LACK OF MOTIVATION

Though these problems are undoubtedly internal affairs of the CPM, they acquire a wider relevance because the party is in power in the state. In the last seven years the Tripura government has been able to record the names of only 4,000 sharecroppers (to ensure against eviction), a clear instance of

lack of motivation on the part of the CPM's peasant wing.

In fact, there is evidence that the number of sharecroppers is going up steadily, as with mounting economic pressures poor peasants are forced to sell their land.

Similarly, in the tribals areas, the preoccupation of accepted leaders like Mr. Chakravarty and Mr. Dasarath Deb with government work has resulted in a vacuum. Advantage of this has been taken by the Tripura Upajati Juba Samity (TUJS).

#### UPAJATI LEADERSHIP CRISIS

When, at Mr. Chakravarty's initiative, the autonomous district council was formed, the marxists had hoped this would bring the tribals' support back to them as they had been entrusted with their own administration. But this did not happen, reportedly because the CPM's representatives among the tribals did not prove adequate for the job.

Here, too, it is a case of crisis in the leadership as the absence of a couple of individuals from the scene has resulted in the situation undergoing a sea change and a large-scale erosion in a traditional support base of the party.

/9317  
CSO: 4600/1190

## SIKH STUDENTS FEDERATION BREAKS WITH UNITED AKALI DAL

Calcutta THE SUNDAY STATESMAN in English 3 Nov 85 p 1

[Text] Amritsar, Nov 2--The All-India Sikh Students Federation today urged the Sikh masses to "unite under the banner of Damdami Taksal of Bhindranwale and the federation" underscoring its break with the United Akali Dal and its chief, Baba Joginder Singh, reports PTI.

The federation office here claimed that the new call, signed by its two senior detained leaders, Mr Rajinder Singh Mehta and Mr Amarjit Singh Chalwa, Chief organizing secretary and joint secretary, had been sent from Jodhpur jail.

They said that the Taksal and the federation were the "true custodians and guardians of Sikh aspirations, grievances and interests of Punjab and cautioned the Sikhs against the "evil tactics" of those Sikh leadership who were exploiting Sikh sentiments.

"For the welfare of the panth, such elements should be weeded out and Sikhs should opt for a young and honest leadership which is dedicated to the mission of Bhindranwale."

Our Special Representative from Chandigarh writes: If the recent developments are any indication, the new mood of the AISSF needs to be watched. Not only are the old hands regrouping but they are also projecting the concepts and ideas which created complications for Punjab in the past few years.

The demolition of the railing of the Akal Takht on October 31 took many by surprise. That it might have been planned and kept a closely-guarded secret should be an indicator of the future course of action of the AISSF.

It is for the first time since the Army operation that the Damdami Taksal of Chowk Mehta was associated with a public function at Amritsar on October 31 and a procession, described as the "Long March," the next day. The procession to Chandigarh not only included young members of the Taksal of Bhindranwale but also his son. This was despite the opposition to this idea by Mr Joginder Singh, father of Bhindranwale and chief of the United Akali Dal.

Opposition from the United Akali Dal, the congregation at the Golden Temple on October 31 and the march from Amritsar to Chandigarh the next day apparently led the AISSF leadership to declare independence in deciding their affairs. They made it clear to the United Akali Dal that they could not be taken for granted and that they might have joined the Dal but had not given up their own identity.

/9317  
CSO: 4600/1164

## LOK DAL ADOPTS RESOLUTION ON SUBCONTINENT

New Delhi PATRIOT in English 11 Nov 85 p 1

[Text]

The Lok Dal has stressed that strengthening of Indo-Soviet friendship is a historical necessity in the present geo-political situation. The two countries' strategic security objectives in the region have become common.

It is imperative, the party has said, that the Indo-Soviet ties, which are based on national consensus, are further consolidated in the interest of the security and independence of the two nations and world peace.

In a resolution on the situation in the Indian sub-continent, the Lok Dal said framers of India's foreign policy sometimes commit the folly of equating the United States and the Soviet Union as Super Powers. But undoubtedly such attempts only encourage the expansionist designs of the US. The party believes that India's foreign policy should be based only on an evaluation of our national interests.

The resolution was adopted at an informal meeting of Lok Dal's important leaders, functionaries, State unit presidents, legislature party leaders, Central Parliamentary Board members and MPs which was presided over by party president Charan Singh on Saturday.

The Lok Dal has expressed its concern over the way the US has armed Pakistan posing a serious threat to India's security. But the open support extend-

ed by China to American designs (in arming Pakistan) has further heightened the dangers.

The situation in the Indian sub-continent and the Indian Ocean had already become explosive with the US having built its military bases during the past some years. Former US President Richard Nixon had himself disclosed that at one stage during the 1971 Indo-Pak war, the US had decided to use nuclear weapons against India.

The resolution demanded a total ban on the proliferation and use of nuclear arms and welcomed Soviet leader Gorbatchev's declaration on these lines.

The Lok Dal felt that total disarmament was the only answer to the best and ultimate objective of world peace which is imperilled by the reckless race for nuclear and other arms, prospects of star war and chemical warfare.

The party expressed its full backing to the struggles going on in different parts of the globe for freedom from imperialism, colonialism, apartheid and racism.

Briefing newsmen on the deliberations, party general secretary S P Malaviya said on Sunday that in another resolution on the political and economic situation, the Lok Dal advised the people "not to be moved by

Government-dominated media—radio and television which are aimed at misleading them. People must ponder over the facts themselves and create an effective atmosphere against the ill designs of the ruling mafia which has no concern with what benefits the citizens."

The resolution alleged that atrocities on tribals, backward classes, scheduled castes and tribes were "growing through connivance" between the Congress and police.

Mr Malaviya told newsmen that the meeting demanded dismissal of the "defector Governments" in Haryana, Jammu and Kashmir and Nagaland, followed by fresh elections. In Haryana, the party had decided to intensify its agitation for the ouster of Chief Minister Bhajan Lal for which Lok Dal's "ex-legislators" were meeting in Delhi on 14 November.

The party has authorised its Assam unit president Ramesh Mohan Kouli to discuss with the other opposition parties the question of adjustment of seats for contesting the coming elections to the Assam Assembly and the Lok Sabha on 16 December.

The meeting was attended among others, by Mr Devi Lal (Haryana), Mr Kapoori Thakur (Bihar), Mr Mir Qasim (Jammu and Kashmir).

/9317  
CSO: 4600/1176

KERALA PARTY INSISTS ON NEW RESERVATION POLICY

New Delhi PATRIOT in English 29 Oct 85 p 5

[Text] Trivandrum, Oct 28—The National Democratic Party, a constituent of the ruling United Democratic Front led by the Congress in Kerala has urged the State Government to recast its reservation policy with a view to including those who are economically weak in the list of "backward classes."

The NDP has described the present system of reservation followed in Kerala as "unconstitutional and illegal."

In a memorandum submitted Chief Minister Karunakaran on Saturday the party demanded that the present system of reservation on communal basis be abolished immediately and that it be replaced by a system of reservation on the basis of economic backwardness irrespective of castes and communities.

The National Democratic Party backed by the Nair Service Society, the social organisation of the Nair community, has been consistently campaigning for reservation on economic basis. They had undertaken a State-wide mass campaign procession started from Kasaragod in the north on 2 October culminating at Trivandrum on 26 October. The memorandum which was presented after staging a demonstration by thousands of the party volunteers before the State Secretariat said that they are not challenging the reservation being given to Scheduled Castes and Tribes as a class who are still within the socially and educational backward class of citizens. The reservation given to them should therefore continue as per the national reservation policy.

However the memorandum said that the "present system of reservation followed in Kerala is unconstitutional and illegal and is also against the concept of natural justice.

Injustice stems from the wrong definition and interpretation given to the usages "the backward classes of citizens" appearing in Article 16(4) and the "socially and educational backward class of citizens" Article 15(4) of the Constitution.

The NDP memorandum pointed out that the State Government's interpretation of the constitutional definition was totally wrong. "The State Government considers certain communities as completely backward and some other communities as completely forward. The memorandum said that in every community there is a section which is backward economically and also another financially stronger which does not need any special consideration from the Government.

For the last 35 years even the starving sections of certain communities were treated as forward and denied benefits.

The NDP leaders said that the party is campaigning for the revision of the norms for reservation for the last many years and the election manifesto of the ruling UDF during the last two Assembly elections had clearly stated that the question of giving reservation benefits to the economically weaker sections would be considered. This assurance was included even in the Governor's address to the State Assembly the 1982. The memorandum said that Chief Minister Karunakaran at a public meeting recently declared that this will be done in a month's time. But the Government has failed to implement it.

/9317

CSO: 4600/1158

## KERALA 'VOLUNTARY ORGANIZATIONS' MISAPPROPRIATE FUNDS

New Delhi PATRIOT in English 1 Nov 85 p 1

[Text]

**Trivandrum, Oct 31**—The flow of huge foreign funds and its misappropriation by some voluntary organisations in Kerala has come to light.

The Kudal Commission which was in the State recently to enquire into the receipt of crores of rupees from abroad by 10 voluntary organisations in Kerala came across shocking evidence of misappropriation of the amount received from some of the international organisations whose bona fides are suspected for their alleged involvement in espionage work.

It is an open secret that both voluntary and religious organisations and even some political parties backed by the communal groups in Kerala are getting regular foreign financial assistance.

The Kudal Commission sent notices to Kerala Gandhi Smaraka Nidhi and Mitraniketan along with eight other voluntary organisations in Kerala who were charged with "accepting money" and allowing "themselves to be used as a cover detrimental to national security".

These voluntary organisations' alleged link with the Central Intelligence Agency-sponsord Asia Foundation and other international organisations of dubious nature has created serious misgivings about the activities going on under the cover of voluntary organisations in the State.

The Kerala Gandhi Smaraka Nidhi is alleged to have received Rs 1.7 crore from two international agencies for which there is no proper account. How this money was spent is not known. The World Neighbours Organisation of the United States has alleged to have given Rs 1.6 crore and a West German-based agency Rs 10 lakh to Kerala Gandhi Smaraka Nidhi.

The July 1980 Kerala Gandhi Smaraka Nidhi chairman Janardhanan Pillai had written a letter to Stanley Reynolds, vice-president for overseas programmes for the World Neighbours Organisation of America. The Nidhi chairman had mentioned in the letter about the "lawlessness in the State" and how a peace-making committee was formed under his presidency "to protect the churches and temples from destruction at the hands of the communists". The letter said that "the churches and temples in Kerala are looted and the people in Kerala are panic-stricken and living in constant fear. The law and order has broken down and the police machinery has gone practically ineffective".

"To restore peace in Kerala a peace committee had been set up for which financial assistance is needed."

It is to be noted that the Nidhi chairman had written this letter just five months after the Left Democratic Front came to power in Kerala in January 1980.

/9317  
CSO: 4600/1191

CENTER ADOPTS NEW GUIDELINES FOR ISSUING PASSPORTS

Calcutta THE TELEGRAPH in English 2 Nov 85 p 6

[Text]

**Calcutta, Nov. 1:** The Centre has abolished the system of recommendation for passports by MPs, MLAs and gazetted officers. Citizens will now get passports on sending their applications directly to the regional passport office. A police verification, however, will be necessary. The new system comes into effect from today.

The decision was taken jointly by the Union home ministry and the external affairs ministry, following continuous complaints of malpractices and harassment from different quarters. The government has amended the passport rules of 1980 under Section 24 of the Indian Passport Act, 1967, and formulated new rules for issuing passports.

The regional passport officer (RPO), Calcutta, Mr N. Sarkar, told The Telegraph that he had received the new guidelines a few days ago.

Mr Sarkar said so far recommendations from MPs, MLAs or gazetted officers, not below the rank of deputy secretary, were

necessary for the applicant's financial guarantee and personal verification.

Previously, the RPO also enjoyed the special power of issuing passports without police verification reports. But under the new rules, only in exceptional cases such as the death of a relative abroad, would the RPO issue a temporary passport before police verification.

A state government spokesman said recently they had also received an intimation from the Centre on the new guidelines for issuing of passports.

He said, the regional passport office had been intimated several times not to issue any passport only on the basis of recommendations by MPs, MLAs or a gazetted officer. The state police has also been directed to strictly follow the verification rules so that only genuine persons get passports. He alleged that even non-citizens and undesirable elements had obtained passports in the past only on the recommendation of an MP or MLA.

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CSO: 4600/1161

## MOTIVE BEHIND ECUADOR'S SUPPORT OF KHALISTAN SOUGHT

Calcutta THE STATESMAN in English 7 Nov 85 p 9

[Text] Washington, Nov 5--The Government of Ecuador is extending its support to the newly-opened "Embassy of Khalistan" to woo Sikh farmers from Punjab to migrate to Ecuador and develop the mostly underdeveloped local agriculture, reports UNI.

Well-informed sources monitoring the situation said that Ecuador had a poor agricultural base and saw for itself an opportunity to produce more food by playing up to the petty designs of a handful of secessionists.

The first direct evidence of Ecuador's support to the extremists was provided on October 3, the day "the Embassy of Khalistan" which is also known as "the High Commission of Khalistan" opened in downtown Quito, at the intersection of Shavez Scespianeoso--a prominent street.

The opening was attended by many Ecuadorian Government officials and prominent Sikh activists, including Balbir Singh Nigger, who is the "Deputy Minister of Defence" in the self-styled "Government of Khalistan."

The mission as such has a regular staff and it is estimated that local costs in terms of telephone and secretarial expenses are £1,000 a month. The Ambassador, Ram Singh, is from England and has transferred himself permanently.

The sources said that for Ecuador the attraction is in getting hundreds of Sikh farmers to develop their mostly jungle lands, in preparation of which the Government has released 25,000 acres near Selrenso and Izmirardi township and the Kennedy township. This land is presently being used to grow bananas.

The sources said that for the "Khalistanis" it was a breather, away from the prying eyes of Western intelligence. The need was also realized to prepare a retreat for hardline leaders like J.S. Bhullar who live under a constant threat of deportation.

An important part of the deal was that Ecuador would become the transit point for pro-Khalistan Sikhs wanting to enter the U.S. but Ecuador insisted that before they would be allowed to leave the country they would have to work on the farms.

At this point the Khalistan mission in Quito is working on a sort of informational programme to be circulated in Punjab to entice the Sikh farmers to come to Quito with all expenses paid up but with a promise of a final journey to the USA, the sources say.

But while this shady deal between a handful of hardliners and the Quito officials is being put into action snags are already appearing.

A sum of money, supposedly £35,000 was set aside by the Khalistanis to finance operations in Quito but that money has been heisted by a low "Khalistan" functionary.

Secondly, reports being received in Quito indicate that Ecuador misread the dynamics of Punjab politics.

Sources say that literally Quito is confused at the way Punjab has got back to normal. By standards of Latin politics, strife is usually followed by a blow-up or that strife usually gets worse, not better.

Punjab has completely thrown that presumption out of line as normal conditions, hope and confidence has followed a period of strife. Thus, whatever forecasts Ecuador had in mind have been totally negated by developments in Punjab.

/9317  
CSO: 4600/1192

## OFFICIAL EXPLAINS POSITION OF INDIAN NAVY

Madras THE HINDU in English 4 Nov 85 p 7

[Text]

## SOMEWHERE IN THE ARABIAN SEA.

The Indian Navy is optimistic about the future, especially after the Prime Minister, Mr. Rajiv Gandhi's (who also holds the Defence portfolio) assertion to strengthen the Naval arm in the changing defence strategies. A feeling that a take-off stage is imminent has set in.

The Navy, the smallest component of the Armed Forces, proved its effectiveness in the 1971 war. Its peace-time operations too have earned it laurels.

The 1962 Indo-China war paved the way for serious rethinking and refurbishing of the Army and the 1965 conflict with Pakistan secured top billing for the Air Force. The need to strengthen the Navy was realised after its effective role in 1971, but it is still biding its time.

**A provocation:** The latest talking point and what is described as a "provocation" is the induction of sophisticated arms, notably the Harpoons, in the neighbourhood. Essentially anti-ship missiles which can be fired from an aircraft, ship or submarine, the Harpoons are anything but "defensive" and has therefore set the Navy thinking.

The Navy has three major establishments—the Western Command based in Bombay, the Southern Command in Cochin and the Eastern Command in Visakhapatnam. It has bases at Goa and Port Blair.

Watching over the approaches to the peninsula, the Southern Command's jurisdiction extends to Antarctica. Its helicopters were used by the Indian expeditions there.

To a party of pressmen on board a warship in the Arabian Sea, Vice-Admiral G. M. Hiranandani, Flag Officer Commanding-in-Chief, Southern Naval Command, said the only answer to the Harpoon threat was to destroy the missile platform itself.

**Integrated air capability:** "For this, we need an integrated air capability system in the sea. It simply means more aircraft carriers which will have reconnaissance capability, air interceptions, surface attack and anti-submarine warfare capability", he said.

The Vice-Admiral said the Naval air arm had already come to play a prominent role and performed an effective operational function. It had

to take up maritime reconnaissance, a function which the superpowers did with satellites. Another aspect of vital importance was the anti-submarine warfare capability.

Aircraft on board ships could often function more effectively than those operating from land bases, Vice Admiral Hiranandani said. "A longer distance to the target means more fuel storage and this reduces the missile-carrying capacity. It is only for this reason that the Navy has been suggesting the strengthening of its air arm".

**Aircraft, the best answer:** As for anti-submarine warfare capability, he said navies the world over had realised that the aircraft was the best answer. A submarine could not hit an aircraft. The Seaking aircraft, deployed by the Indian Navy, could locate submarines using its 'dunking sonar'.

India had achieved a tough task of landing the Seaking on two of its Leander Class warships—they could operate only from bigger ships. Taking the cue, other navies had also gone in for Seakings.

A squadron of six Sea Harriers were discharging vital functions for the Navy, including air interception, attack on hostile ships and on-shore targets, the Vice-admiral said. Another 10 Harriers were to join the Navy soon. Twenty more Seakings, with more sophisticated systems, had been ordered.

**Strategic value:** Asked about the significance of the Lakshadweep Islands, off the Kerala coast, Vice-Admiral Hiranandani said they were of immense strategic value. Though the Navy had only a couple of detachments in these coral islands now, the strategic perceptions for the future would include the ability to obtain earlier warning and detect the approach of hostile vessels. There was neither space nor need for a naval base or air station for the present.

It was also necessary to look upon them for protecting the mineral and marine wealth within the country's exclusive economic zone, which in fact, got extended because of the distant location of Lakshadweep.

/9317

CSO: 4600/1166

PRESS REPORTS APPOINTMENT OF NEW ARMY CHIEF OF STAFF

HINDU Analyst's Report

Madras THE HINDU in English 8 Nov 85 p 1

[Article by G.K. Reddy]

[Text] New Delhi, Nov 7--As expected, the Vice-Chief of the Army Staff, Lieutenant General K. Sundarji, has been appointed the next Army chief in succession to General A.S. Valdya, who is due to retire on January 31, 1986.

The announcement has been received with considerable satisfaction in Army circles because the Government has adhered to the seniority rule, besides merit based on his distinguished record of service with wide-ranging battle and command experience.

As Prime Minister and Defence Minister, Mr Rajiv Gandhi has taken the decision almost three months in advance to ensure smooth succession and avoid unnecessary speculation. General Sundarji will start preparing himself for this great responsibility by taking over some of the functions of the present Army chief.

A well-known military thinker and strategist, he has held many high command and staff jobs making valuable contribution to the planning and conduct of military operations. He has commanded an infantry division and an armoured division, before being appointed Commandant of the College of Combat and later Deputy Chief of Army Staff as a prelude to his promotion as GOC-in-C of the Western Command in which capacity he planned and carried out Operation Bluestar last year.

He was appointed Vice-Chief of the Army Staff in February this year as a prelude to his promotion as Army chief. He will serve as Army chief for two years and three months till he reaches the age of 60 on April 30, 1988.

The next two senior-most officers, Lt General H. Kaul, GOC-in-C of the Western Command and LT General R.S. Dayal, GOC-in-C of the Southern Command, will retire before General Sundarji reaches the age of superannuation.

### Biographical Information

Bombay THE TIMES OF INDIA in English 8 Nov 85 p 1

[Text] New Delhi, November 7--Lt Gen Krishnaswami Sundarji, PVSM, will be the next chief of the army staff, it was officially announced today.

He will replace Gen A.S. Vaidya, who retires on January 31.

Gen Sundarji, 57, currently the vice-chief of army staff and the seniormost serving lieutenant general, is considered an expert strategist.

He is a graduate of the Defence Service Staff College, Wellington, the Command and General Staff College, Fort Lavenworth (U.S.) and the National Defence College. He has held various command, staff and instructional appointments with distinction.

Gen Sundarji was commissioned in the Mahar regiment in 1946. He was mentioned in despatches for his gallant performance in disarming mercenaries in Congo in 1961 with the United Nations peacekeeping force.

During the 1965 conflict, he commanded a battalion in the Rann of Kutch, which faced the first attack by Pakistani troops. Gen Sundarji also planned operations in Bangladesh as brigadier-general staff of A corp in the eastern sector.

His other appointments include chief of staff of Katanga command with the U.N. force, instructor, staff college, and senior command course, command of mountain brigade and brigadier-general staff of A corp. He also commanded an infantry division and was later appointed general officer commanding of an armoured division in the rank of major-general.

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CSO: 4600/1173

BRIEFS

OIL OFF BOMBAY--New Delhi, Nov 14 (UNI)--Oil and gas have been struck in a well 70 km west of Bombay, according to the Oil and Natural Gas Commission. The strike was made on November 11 and tests are under way to assess the hydrocarbon potential of the zone, an ONGC press release said. The find was at a depth of 1,250 metres during testing on the B-172-1 structure in Object 4 of Bombay High. Oil was also indicated in Object 5 and tests will be undertaken after the hydrocarbon potential of Object 4 is assessed, the release added. The oil flow as 2,380 barrels a day and the gas flow 14,683 cubic metres a day. Gas has also been struck on the Rokhia structure in Tripura, 30 km southwest of Agartala. The gas flow is "very good" at 1.1 lakh cubic metres a day, ONGC said. [Text] [Calcutta THE TELEGRAPH in English 15 Nov 85 p 1] /9317

CPI-M LEADER'S DEATH--Calcutta, Nov 8--Mr Ram Das, member of the CPI(M)'s central committee, died at Mulchand Hospital in New Delhi this afternoon following an infection in his ears, party sources said here. He was 60. Mr Das, who was in charge of the party weekly, Peoples' Democracy, suffered a heart attack sometime back and was in coma for the last few days. [Text] [Calcutta THE TELEGRAPH in English 9 Nov 85 p 4] /9317

EXPORTS TO USSR--Calcutta, Oct 30--Mashpriborintorg, the specialised agency of the foreign trade ministry of the USSR might import a good quantity of radio measuring instruments from India, according to Mr Serghei Akulintsev, vice director of Firm 'Signal,' an associate of Mashpriborintorg. Mr Akulintsev told newsmen here today that import of radio measuring instruments by the USSR was over Rs 150 crores and Mashpriborintorg had already expressed its readiness to import this equipment from India provided they conform to the required design and specifications. He said an Indian team was now in Moscow and some deals might take place between the two countries. Mashpriborintorg is the apex organisation of Soviet electronic measuring and testing equipment manufacturing. It has organised an exhibition and demonstration of various equipment at Hyderabad and Calcutta along with Cinesales Corporation, its sole selling agent in India. [Text] [Calcutta THE TELEGRAPH in English 31 Oct 85 p 1] /9317

NEW SIKKIM GOVERNOR--Mr T.V. Rajeshwar, at present Lt Governor of the Union Territory of Arunachal Pradesh, has been appointed Governor of Sikkim, reports UNI. Mr Shiva Swarup, former Director General of the Central Reserve Police

Force, has been appointed Lt Governor of the Union Territory in place of Mr Rajeshwar. The appointments were announced in a communique from Rashtrapati Bhavan on Wednesday. [Text] [New Delhi PATRIOT in English 14 Nov 85 p 1] /9317

ETHIOPIAN MINISTER'S VISIT--Ethiopian Transport Minister Yusuf Ahmed, heading a high level delegation from his country, called on Union Transport Minister Bansi Lal and his junior in the Railways, Mr Madhavrao Scindia, in New Delhi on Wednesday to explore possibilities of Indo-Ethiopian cooperation in the railway projects in that country. Their talks covered the proposal for linkage of the Ethiopian capital, Addis Ababa to the Assab port--a distance of 860 kms--through rail service for which the railway undertaking, Rail India Technical and Economic Services Limited, is doing a survey along with other Indian Government undertakings and departments. The Ethiopian Government is keen to give this work to the Indian Railways at a cost of \$18 million. [Text] [New Delhi PATRIOT in English 7 Nov 85 p 7] /9317

INDO-SOVIET COAL PROTOCOL--Moscow, Nov 5 (UNI)--An Indo-Soviet protocol, envisaging collaboration in the coal sector, was signed here today by Coal Secretary S. Lal and the Soviet Deputy Coal Minister. Under the protocol, India would expand its coal production from the current level of 147 million tonnes a year to 240 million tonnes by 1990 and 400 million tonnes by 2000. A master plan for the development of the Singaurani Coal and fuel complex would also be prepared with the Soviet assistance. Modernisation of other coal extraction mines would also be undertaken, besides setting up of coal beneficiary plants. The Soviet Union would provide project report and equipment for the Nigahi coal mines. Soviet collaboration would also be forthcoming for the setting up of open mines in India. The Soviet Union, as it appears from the protocol, has assured to provide the most up-to-date high technology for fire extinguishing at Mukunda mines in Jharia. The Patherdih coal washery near Jharia would be modernised. According to the protocol, the ash content of coal would be reduced from 8 percent to 17 percent. [Text] [New Delhi PATRIOT in English 6 Nov 85 p 2] /9317

GDR LEADERS' VISIT--New Delhi, Nov 10--The need for preventing the eruption of a nuclear war was stressed by leaders of the German Democratic Republic and the Vice-President, Mr Venkataraman, during the latter's four-day visit to the GDR. The close ties between the two countries were emphasized, according to a joint Press release issued here yesterday. During his visit, Mr Venkataraman conferred with the East German Chairman, Mr Erich Honecker, and other senior leaders. He had detailed discussions with the Deputy Chairman of the GDR's State Council, Mr Egon Krenz. Sharing concern at the nuclear arms race and the continuing climate of tension and confrontation they called for efforts to save mankind from nuclear catastrophe and to prevent an arms race in outer space. The two sides welcomed the forthcoming summit meeting between the USA and the USSR. Mr Krenz commended India's role in the preservation of peace and underlined that the Non-aligned Movement constituted an influential international force. The leaders condemned Israel's aggression in West Asia and the South African regime's oppressive policies. [Text] [Calcutta THE STATESMAN in English 11 Nov 85 p 12] /9317

CSO: 4600/1193

COMMENTARY ATTACKS U.S. INTERFERENCE IN SUDAN

GF270810 Tehran International Service in Turkish 1830 GMT 26 Nov 85

[Unattributed commentary: "U.S. Interference in Sudan's Internal Affairs"]

[Text] Dear listeners, Sudan's minister of interior has accused the U.S. administration of interfering in that country's internal affairs. Following this accusation, the U.S. ambassador to Sudan was summoned to Washington to brief the U.S. administration on the matter.

It seems that the Reagan administration wishes to bring pressure to bear on Sudan's government by claiming that the security of Americans in that country cannot be guaranteed and by having the U.S. State Department reduce its diplomatic personnel in Khartoum by 10 percent for that reason. The Reagan administration is thereby endeavoring to obstruct Sudan's improved relations with Ethiopia and Libya. The disclosure made by the United States that it feels uneasy over the presence of Libyans in Khartoum confirms this view.

Meanwhile, the authorities in Sudan deem it necessary to reconsider Sudan's relations with its neighbors in their drive to resolve Sudan's internal problems, which are the result of inappropriate U.S. interference, particularly during former dictator Numayri's era. This tendency has been observed since the new military government took power in Sudan.

Libya was the first country to welcome the ousting of the Numayri regime by Sudan's military forces, and Ethiopia expressed the desire for improved relations with Sudan. Naturally, the Reagan administration regarded all this as opposed to its interventionist policy. However, Sudan needs the good will of its neighbors in its move to resolve the civil war in the south through peaceful means.

Meanwhile, the summoning of the U.S. ambassador to Sudan back to Washington at a time when the government in that country is preparing for talks with John Garang, the leader of the Sudan People's Liberation Army, demonstrates U.S. dissatisfaction with such negotiations. Actually, the United States wishes to place the new government in Sudan under its claws and draw it into bottlenecks with a view to preventing any kind of move for independence--just as in the case of puppet regimes like the one in Egypt.

The authorities in Washington have also been concerned about the report that the government in Sudan will be sending a military delegation to the Soviet Union to discuss the possibility of repairing old Soviet equipment in Sudan's arms production centers. Another matter that has horrified the United States was the arrival of a Sudanese delegation in the Islamic Republic of Iran to discuss the situation of Sudanese troops captured at the battlefronts by the Islamic forces.

It is common knowledge that the United States does not favor relations between the third world countries. Sudan is not exempt from this rule, so naturally, such friendly moves are not welcome.

In summing up the situation, it can be said that the government in Sudan is faced with a number of difficulties and problems, both inside and outside that country. Topping the list of its internal problems is the question of obstructions by the United States and its puppets in the region.

The important thing at this juncture is the move the authorities in Sudan will make to assess correctly the national interests of that country and take every decision in the interest of Sudan in total disregard of U.S. diplomatic pressures. The only way for the government in Sudan to resolve that country's problems is to adopt a peaceful policy. That is to say, it has to establish friendly relations with the third world countries--relations the United States dreads. Interfering in the internal affairs of foreign countries is in the nature of international imperialism. However, the third world countries can obstruct foreign interference by pursuing a nonaligned policy.

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CSO: 3554/392

IRAN

COMMENTARY VIEWS 'LACKY GOVERNMENT' OF JORDAN'S HUSAYN

LD022353 Tehran Domestic Service in Persian 1653 GMT 2 Dec 85

[Station commentary]

[Text] With the ever-increasing expansion of genuine Islamic movements and the awakening of the Muslim nations of various regions and of the world each day, the fear of dependent leaders and the lackeys of world arrogance is increased. Today the reactionary Arab and non-Arab regimes in the region and the world are greatly afraid of the growth of genuine Islamic movements. As a result, with diverse tricks and deceitful means they are trying to limit and control this divine movement and, if possible, to destroy it.

One such lackey government, which is greatly frightened of the Islamic Revolution and which resorts to every means in order to destroy it is the American regime of Malik Husayn. Shah Husayn [as heard] whose illegitimate and tyrannical rule over the Muslim people of Jordan has continued for nearly 35 years, is one of the valuable pawns of world arrogance in the region, and the leaders of Western imperialism are trying very hard to consolidate him and his regime. Shah Husayn of Jordan heads a government which has had many overt and covert links with the leaders of the regime occupying Jerusalem for many long years. At the moment, too, he is the focus of a movement which desires peace and coexistence with Israel.

The extensive and merciless slaughter of Muslim and homeless Palestinians in September 1970 and the massacre of 15,000 Palestinian fighters were among other deeds committed by the Jordanian regime. On the other hand, Malik Husayn had close relations with the regime of the treacherous shah; and for that reason he was terrified at the victory of the Islamic Revolution in Iran. With the launching of the war imposed by the Zionist Saddam against revolutionary Iran, Malik Husayn hurried to the assistance of the Ba'thist Iraqi regime with all his capabilities.

In any case, today, the Jordanian regime is one of the fixed axes of confrontation against the growth of genuine Islamic movements in the region. To this end, that regime has started extensive plans for the destruction of this divine, popular movement. For instance, according to the report of the central news

unit, in order to prevent the spreading of Islamic movements the Jordanian Government is trying to ratify imposed laws and to bring all the mosques and religious organizations and preachers and clergy members under government control.

On the other hand, AFP reported that a legal bill has been presented by the Jordanian Government to the Parliament of that country in this connection. According to Jordanian sources, the approval of such a law enables the Jordanian Government to bring all clergy members and preachers under its control and to prevent them from making any enlightening speeches.

Here it should be added that on 10 November this year, the shah of Jordan condemned Islamic fundamentalists as ambitious people who are making use of religion to achieve political ends. The same sources have revealed that, despite all this pressure and suppression the return to Islamic principles has been growing in Jordan during the past few years; the number of mosques in Jordan has grown from 800 in 1980 to 1,300 in 1985.

News agencies also report that tens of thousands of devout Muslims, among whom one can see a growing number of young children and little girls, dressed in the traditional dress of religious fundamentalists, taking part in Friday prayers. Special areas have been allocated to the ladies in the mosques and female preachers in most mosques speak to the ladies after the prayers.

In any case, the policy of the American regime of Malik Husayn to confront the growth of the Islamic movement in that country, which started with the closing of 500 mosques and the controlling of sermons of religious preachers and clergy members, reveals the launching of a policy of confrontation against Islam in that country; a policy which started a long time ago and which today, as the result of the growth of revolutionary and Islamic awakening of the people, has been further intensified.

Nevertheless, the Jordanian regime and all the reactionary and subservient regimes of the region such as that of Egypt and Morocco, should learn from the fate of the Sadats and Numayris; and, instead, of fighting against Islam and the Muslims, they should come into step with genuine Islamic movements. Otherwise, all of them will face the fate of all dictatorial and pharaonic regimes of history, especially as the values of the Islamic Revolution have been exported to other Muslim nations and sooner or later, the wave of liberating Islamic movements will cover the entire area.

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CSO: 4640/92

## KHOMEINI SPARKS PRESS SHAKE-UP

London MEED/THE MIDDLE EAST'S BUSINESS WEEKLY in English 26 Oct 85 p 22

Article by Vahe Petrossian

Text

POSTERS of Imam Khomeini were being taken down in October from mosques and other buildings. Newspapers had not for some weeks printed reports of Khomeini's daily schedule; almost all pictures of the Islamic republic's spiritual leader had disappeared from the press and television, and his speeches were being relegated to the inside pages.

Khomeini's disappearance from public life follows a series of complaints from the imam about being embarrassed and disturbed by the personality cult that had developed around him. "I do not want to hear my name mentioned every time I turn on the radio. I have deplored this for some time. I hate it. It is wrong," he said. "My picture should not be put on the front page, except when it is absolutely necessary."

His complaints coincide with a media upheaval — one daily newspaper has been shut down and at least two others have started up to represent rival factions. Khomeini and his deputy, Ayatollah Montazeri, have also started a campaign to reduce restrictions on the press and to liven it up.

Khomeini told local journalists in September and October that criticism of the government is acceptable, as long as it is impartial and not aimed at creating "bad blood." Journalists should carry out investigative reporting and remember that constructive criticism is "useful." Montazeri has gone even further, complaining that the media often give the impression of being state controlled.

The press should be so free that "a foreigner who may come to Iran would be convinced that newspapers . . . are not government spokesmen." He warned against the creation of an atmosphere reminiscent of the late Shah's time. Although full freedom of the press may not be possible under the present wartime conditions, efforts should still be directed towards that end.

Newspapers should have "some sort

of freedom and reflect people's demands." The government's supporters and opponents alike "must be able to have their voices heard through the newspapers." If people have objections to the government, or the judicial system, why should they not be aired, Montazeri asked.

Earlier in 1985, the radical daily Azafegan was shut down by the prosecutor-general, following a complaint from angry deputies about its sharp criticism of conservative members of the majlis (parliament). The paper has now reappeared under a different banner — Abrar (Rightly Guided) — and promises to "elevate the consciousness of the oppressed masses." Abrar, staffed by many of the Azadegan journalists, appears to have adopted the same populist line, at a time when populist and conservative forces are conducting a behind-the-scenes struggle for pre-eminence.

Resalat, a new daily representing the conservative groups, issued a trial edition in September but has yet to appear regularly. Yet another daily, Bamdadhan, is to start publishing soon.

Appeals to the press to feel free to criticise the government have been taken most seriously by Islamic Republic — the official organ of the Islamic Republican Party (IRP), whose members include the president, the prime minister, the majlis speaker and many other senior officials.

In common with several other dailies, Islamic Republic has invited moderate critics of the government to contribute articles. But the paper has gone one step further by starting a series of investigative articles on the judiciary and other key issues (MEED 12:10:85; 5:10:85). The impact has been considerable — forcing officials to issue explanations and order policy changes.

How literally the rest of the media will take the new guidelines is uncertain. Equally uncertain is the extent to which officials will ultimately tolerate a lively and troublesome press.

NATURAL GAS PIPELINE TO CONNECT CITIES

LD241617 Tehran Domestic Service in Persian 1030 GMT 23 Nov 85

[Text] According to a Central News Unit report, the cities of Arak, Malayer and Hamaden will be connected to the natural gas network via a 30-inch diameter gas pipeline. The connection of these three cities to the gas network is the first phase of a major project for piping gas to the country's western regions. In view of the difficult terrain, the high density of industrial centers, and the fuel and energy requirements of the industrial centers, residential and commercial areas in the provinces of Tehran, Hamadan, Lorestan, Bakhtaran and Kordestan, they will be supplied by underground pipelines.

An Oil Ministry report indicates that work on the industrial and domestic gas network for Arak, Malayer and Hamadan started simultaneously, the project has now reached the phase of finding contractors for connecting the pipelines. On the basis of our correspondent's report, in order to supply the gas requirement of this project, a 30-inch gas pipeline will branch off from the country's first main pipeline near the Delijan-Qom station. After bypassing the cities of Arab and Malayer it will reach the northwestern region of Hamadan, having a total length of 273 km. Another gas pipeline, 16 inches in diameter and 4 kilometer long, will bring off in the Sheveri region of Hamadan in order to bring as to the city of Hamadan.

The Oil Ministry report also indicates that contractors are invited to construct another 30-inch pipeline to link the cities of Astara and Tabriz to the gas network via Ardabil, Sarab and Bostanabad. This gas pipeline will then extend to Urumiyeh and other cities of the region. The same report indicates that 18 percent of this project has been completed and the National Gas Company is striving to implement the project.

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CSO: 4640/91

## OPPOSITION PAPER COMMENTS ON POWER STRUGGLE

GF041613 London KEYHAN in Persian 28 Nov 85 p 16

[London KEYHAN weekly in Persian; founder and publisher Dr Mesbahzadeh]

[Text] Following the formation of the government, and according to the supporters of the president, it is now time for Seyyed 'Ali Khamene'i to consolidate his position as the man in charge of foreign policy; he is also the man to determine the Islamic Republic's military policies.

During the past 2 weeks, with the activities at two of the regime's major organizations, the Foreign Ministry and the Defense Ministry, it seems that under the present circumstances the president has been able to come ahead of his arch rival, Majlis speaker Hashemi-Rafsanjani, with regard to the war and foreign policy.

According to the latest issue of WORLD REPORT magazine, Khamene'i is trying to prepare the groundwork for a post-Khomeyni era by gaining control of the country's foreign policy and the country's military policies during the second term of his presidency.

According to the constitution Khamene'i is not eligible for a third term, but with regard to Khomeyni's illness, if something happens to the Ayatollah or if he dies a natural death before the 1989 elections, and if there are unpredicted events there is a clause in the constitution that says the president may remain in power temporarily until such time that conditions are ready for another election.

Under those circumstances, since the leader is also the supreme commander of the armed forces, according to the law, until the election of a new leader, the post of the armed forces commander in chief will go to the head of the Supreme Defense Council.

This same law makes it clear that the Faqih can at any time hand over any of his duties, including that of the armed forces command, to anyone he chooses.

Ayatollah Khomeyni tried this with Bani Sadr by making him the commander in chief of the armed forces, and subsequently took the title away from him. So he has had firsthand experience with this legal clause. This prevents him from a quick handover of this post to Khamene'i, which also shows the

Ayatollah's concern that the Bani Sadr incident might be repeated and because of constant advice from people like Hashemi-Rafsanjani. Otherwise, as the head of the Supreme Defense Council, Khamene'i has in effect played the role of commander in chief of the armed forces.

In the past, during military medal-giving ceremonies or military marches, it was normal that the soldiers march past portraits of Khomeyni as commander of the armed forces, with his representative Hashemi-Rafsanjani or his son Ahmad present. But it has been nearly 3 months since the president of the Islamic Republic has personally attended these ceremonies.

Three such cases were the naval maneuvers in the Persian Gulf aboard the destroyer "Alborz," the graduation ceremony of the first session of the pilots' school, and the 10th session of the officers' graduation at the air force academy. This was held in October in the presence of Khamene'i and all the commanders of the armed forces. It was an indication of Khamene'i's determination to strengthen his own position. The same circumstances exist in the field of foreign policy.

The first signs of Khamene'i's efforts to fully control foreign policy are the changes made in an effort to break the country's political isolation--or as the president says, a policy to "open up to the world."

According to reports received from Tehran, Khamene'i took part in a seminar for Iranian diplomatic envoys in Asia and Africa, and following that, during a seminar of Iranian ambassadors and charges d'affaires in the Persian Gulf countries. During his speeches he said that from now on, he and Foreign Minister Velayati were the only ones to give the orders, and that from now on the meddling of no organization or individual should prevent the envoys of the Islamic Republic from carrying out their duties outside of the country in accordance with set plans.

These plans include an effort to remove differences and an open-door policy, which according to Khamene'i has had positive results in the past 2 months.

The fact that the Ayatollah also during his meeting with ambassadors stressed on the importance of improving political ties with all countries of the world indicates that the president has undertaken this step with Khomeyni's approval.

According to the WORLD REPORT magazine, the role of the Majlis speaker has been notably diminished in the country's foreign policy during the past 2 months. During the last stage of Khamene'i's first term of office Hashemi-Rafsanjani travelled to Syria, Libya, China, and Japan, attempting to gain control of the foreign policy. But with a new push from Khamene'i, Hashemi-Rafsanjani in effect has nothing to do these days but to sabotage Khamene'i's attempts.

In this situation, two things make the scene quite clear. While Khamene'i has been trying to improve the image of the Islamic Republic to make it tolerable for its neighbors, Hashemi-Rafsanjani has done quite the opposite.

There is no doubt that the future of Lebanon is of vital importance to the Islamic Republic. This is why Syria has made a determined effort in the past 6 months to end the crisis in Lebanon, and the Islamic Republic has watched this with great concern. Syria does not recognize the Lebanese groups attached to Iran such as the Hieballah, Islamic Unification Movement, and the Islamic Amal. This is why they have not been invited to any of the negotiations in Lebanon.

Khamene'i knows well the importance of Syria's support for Tehran. This is why he has not attacked Syria directly in the past few weeks that reconciliation talks have been going on between Syria and Iraq, relations have been patched up between Syria and Jordan, and the Damascus talks with various Lebanese militia leaders.

Hashemi-Rafsanjani, meanwhile, apart from indirect comments in the Majlis, on 1 November during the Friday prayers sermon in Arabic, clearly condemned Syria's conspiracy. He said: The Arab reactionaries and the puppet regimes of the region are trying with the help of imperialism to impose a non-Islamic regime on Lebanon. On the other hand, by pulling Syria into the camp of the compromise-seekers such as King Husayn and 'Arafat, they are forcing Syria to accept the colonialists' solution for the Palestinian problem. The Islamic Republic condemns any efforts made in this connection and it wants to see the establishment of an Islamic government in Lebanon and the only way to solve the Palestinian issue is through the destruction of Israel.

Coinciding with Hashemi-Rafsanjani's comments, Ahmad 'Azizi, the head of the Majlis foreign policy commission, during a speech leveled the heaviest attacks against Lebanon's militia chiefs and condemned Syria's role in Lebanon. He also warned Syria that if it continued its overtures toward Jordan it should await a strong reaction from the Islamic Republic.

The mass media of the regime, with radio and television at the top of the list--managed by Mohammad Hashemi, brother of the Majlis speaker, in their Arabic Programs have condemned the reconciliation between Syria, Baghdad, and Amman and also Algeria's efforts to bring Egypt back into the Arab fold.

In London, the Arabic publication AL-'ALAM, established 1 year ago, and funded by Hashemi-Rafsanjani, has printed an article about the differences between Iran and Syria, commenting on the cut in oil exports from Iran to Syria. It says that since Iran is not happy with Syria's new policies it is quite possible that it will take some countermeasures.

It is natural that President Khamene'i will not remain silent in the face of such moves. Dispatching Foreign Minister Velayati to Syria, Libya, and Algeria in the past few weeks with personal messages for the leaders of those countries shows that the president has the last word in foreign policy.

According to REUTER quoting diplomats from Damascus, Khamene'i has shown his concern over Syria's new policies in a friendly manner. Coinciding with Velayati's arrival in Damascus, a Beirut newspaper printed an interview with Syria's vice president, examining in detail the relations between Syria and Iran. According to informed sources in Beirut, the Syrian vice president has

said that his country's president holds his friendly ties with Khamene'i in very high esteem. What some irresponsible people and some press write against Syria cannot be considered important in the face of the friendly manner of Khamene'i, Khaddam is reported to have said. This shows that Damascus recognizes Khamene'i as the man responsible for the policies of the Islamic Republic.

The Libyan leader, while meeting with Velayati, replied to Khamene'i's letter saying: After Velayati's trip to Tripoli, nothing will cause a rift in the relations with the Islamic Republic.

According to Western diplomats in Algeria, Velayati on behalf of Khamene'i assured the Algerian president that the Islamic Republic has no intention of interfering in Algeria's affairs.

Looking at what has happened, can one say that the president of the Islamic Republic has been successful in changing the direction of the country's foreign policy? We cannot answer this question while Khomeyni still has the power to say "yes" or "no" to any proposal. But without a doubt, in the near future these efforts can prepare the groundwork for Khamene'i to consolidate his position in the Islamic Republic.

Of course before anything else, Khamene'i has to find a different solution to the war. Although he is more radical about continuing the war than his rival Hashemi-Rafsanjani, it is possible that when it comes time to end the war Khamene'i would have better cards than Hashemi-Rafsanjani, and as we said before the most important of these cards is the armed forces.

Right now, the formation of the Supreme Defense Council is such that Khamene'i has the upper hand. This council was established after the start of the war to replace the old supreme military council and national security council. The members of the Supreme Defense Council are as follows: 1. Seyyed 'Ali Khamene'i. 2. Prime Minister Mir Hoseyn Musavi. 3. Hashemi-Rafsanjani, Khomeyni's representative in the council and its spokesman. 4. Colonel Esma'il Sohrabi, chief of the joint staff. 5. Colonel Pilot Hushang Sadiq, head of the air force. 6. First Captain Mohammad Hoseyn Malekzadegan, head of the navy. 7. Colonel 'Ali Sayyad Shirazi, head of the ground forces. 8. The successor to the head of the gendermerie chief who is taking part in the council meetings since the chief of gendermerie Colonel Hasan Sohrabi was removed from his post. 9. Colonel Khalil Samimi, chief of police. 10. Kamal Kharrazi, head of the War Propaganda Office. 11. Mohsen Reza'i, commander of the Islamic Revolution Guards Corps [IRGC]. 12. Hojjat ol-Eslam Rezvani, chief of the mobilization of the oppressed. 13. Colonel Jalali, minister of defense. 14. Mohsen Rafiqdust, minister of the IRGC. 15. Colonel Katibeh, head of the second bureau of the armed forces. 16. Hojjat ol-Eslam Hasan Rohani, the head of the Majlis defense committee. 17. Mohammad Hadi Najafabadi, also in the Majlis defense committee. 18. 'Ali Akbar Velayati, foreign minister. 19. Nazaran, secretary of the defense council. 20. 'Ali Akbar Mohtashami, minister of the interior.

In addition to these people, a number of other military personnel, including Khamene'i's two defense advisers, Colonel Salimi, former minister of defense, and Colonel Kuchakzadeh, the former head of the gendermerie, take part in the council sessions. Mohsen Reza'i sometimes also includes some of his advisers, such as Kolahduzan and Sham'khani, in the sessions.

Looking at the list Khamene'i looks as if he has the support of 15 members of the Supreme Defense Council. Apart from Hashemi-Rafsanjani, Musavi, Mohsen Reea'i, Kamal Kharrazi, Sayyad Shirazi, and Nazaran, the secretary of the council, the rest are supporters of Khamene'i. With regard to such a situation, it is clear that Khamene'i, within the next few weeks, will try somehow to show his power in the running of the war. He wants to do this in case there is talk of peace, because then he will be in a strong position.

According to Kuwaiti newspapers, the possible trip of the Oman foreign minister to Iran will take place at a time when the leaders of the Islamic Republic have agreed on their conditions to end the war. It is being said that Hashemi-Rafsanjani, the commanders of the IRGC, and the ground forces believe that any negotiations before Iran's major ground offensive against Iraq would in a way be admitting to the fact that Iraq has a superior military. Meanwhile, Khamene'i believes that if Iran is defeated in such a ground offensive, it would have to accept an imposed peace with no dignity. Because if that happens even Khomeyni will not be able to rationalize the continuation of the war.

According to the Kuwaiti press, the talks at the Geneva summit on the Persian Gulf war will have an important impact on the internal situation in Iran. Since neither of the two poles of power within Iran have been able to confirm the results of the Geneva summit, they have both condemned it. But if the issue of ending the war is accepted by the leaders of the United States and the Soviet Union, there is no doubt that Hashemi-Rafsanjani's insistence on continuing the war will have no result but to bother [word indistinct] of the Ayatollah. At that time, [phrase indistinct] a peace effort or at least a ceasefire.

Of course all these speculations will be valid if the Islamic Republic is able to withstand its current crisis and is able to last through its economic chaos.

/8309  
CSO: 4640/93

IRAN

BRIEFS

BANK PRINTS GOVERNMENT NOTES--Tehran, Nov 28 (IRNA)--The Islamic Republic distributed its first Iran-printed notes Thursday. The [word indistinct] note pictures Ayatollah Hassan Modarres, an anti-despotic combatant in the regime of Reza Khan Shah. Two years ago, Imam Khomeyni, the leader of the Islamic revolution, urged Iran's Central Bank officials to print notes with a picture of Ayatollah Modarres on them. Under the image of Modarres who is wearing a white beard and a turban, is his words "our religion is our politic and our politic is our religion." On the back of the note, there is a picture of the Islamic Republic Assembly. Iranian experts have sketched and printed the 100-rial note. [Text] [Tehran IRNA in English 1851 GMT 27 Nov 85] /8309

BILL EXEMPTS CUSTOM DUTY--Tehran, Dec. 3 (IRNA)--The Majlis Tuesday passed principles of a bill which would exempt energy industries imports [as received] from customs duty. The Majlis also passed another bill allowing the government to establish pharmacies in the deprived areas of the country with cooperation of private sector. Among other bills in the Majlis Tuesday was a bill giving volunteers who are working in the war-hit provinces the same legal rights as reserve soldiers. Meanwhile, a bill for reorganization of Lawyers Association was passed after the Majlis listened to the statement of rapporteur of the Legal Affairs Committee and those of deputies for and against the bill. The Majlis will hold its next open session on Thursday. [Text] [Tehran IRNA in English 1456 GMT 3 Dec 85] /8309

BAHA'IS EXECUTED FOR 'TREASON'--Tehran, Nov 27 (IRNA)--Head of the Supreme Tribunal of the Islamic Revolution Ayatollah Mussavi Bojnurdi said here today that many Bahais in Iran had explicitly confessed in writing to have collaborated with and rendered assistance to Mossad, the secret police of the regime occupying Qods, against the Islamic Government. The ayatollah who was commenting on foreign reports of alleged persecution of the Bahais in Iran solely as a punishment for their belief said no one Bahai had ever been harmed for being a Bahai. He said, however, that some Bahais had been executed by the Islamic Government after they had been found guilty of espionage operations against the Islamic state. The court official noted that Bahaism is not specifically a "religious" cult but rather a "political party committed to the United States and Israel" and devoted to furthering their predatory goals in Iran. Ayatollah Mussavi said documents discovered from many of the Bahais in post-revolution Iran attest to their treacherous underground activities in Iran. Bahaism was introduced in Iran as a cult with mainly political implications in mid-19th century by groups believed to have been furthering colonialistic goals of the British Government in the country. [Text] [Tehran IRNA in English 1635 GMT 27 Nov 85] /8309

FURNACE MADE OPERATIONAL--The second furnace at the Sarcheshmeh copper mines went into operation officially with a production capacity of 750 tons of concentrate daily. This has been achieved by the dedicated workers and engineers of the massive Sarcheshmeh copper mining complex without any foreign assistance. [Summary] [Tehran Domestic Service in Persian 0330 GMT 28 Nov 85 GF] 12624

CSO: 4640/91

CONSTITUTIONAL AMENDMENTS SAID 'NEGATING FEDERALISM, DEMOCRACY'

Karachi DAWN in English 15 Nov 85 p 3

Article by Hazoor Ahmed Shah: "Legal Experts Find Eighth Amendment Negating Federalism, democracy"

[Text]

KARACHI, Nov 13: Three former judges and a prominent lawyer here expressed the view that the Constitution (Eighth Amendment) Bill, though somewhat an improved version of the 1985 RCO (Revival of Constitutional Order), nonetheless, negates the principles of federalism and parliamentary democracy incorporated in the 1973 Constitution.

In separate interviews, they brought out the points of departure of fundamental importance from the meaning and scope of the 1973 Constitution, while maintaining that the amended Bill was more akin to the RCO and had less relevance to the 1973 Constitution.

The three jurists and the lawyers interviewed were Mr Justice (Retd.) Dorab Patel, Mr Justice (Retd.) Fakhruddin G. Ebrahim, Mr Justice (Retd) Fazle Ghani Khan, and Mr Abdul Hafeez Lakho.

They questioned the validity of an oft-repeated claim that the President had the power to amend the Constitution vide Supreme Court's judgment in Mrs Nusrat Bhutto's case — a power which, in their considered view, was subject to judicial review and which had, in fact, been given temporarily on condition to facilitate the holding of elections on the basis of the 1973 Constitution.

All the same, this constitution-making and law-making power of the President had become null and void the day the 1981 PCO (Provisional Constitutional Order) came to be enforced arbitrarily, circumventing the power of judicial review vested in the superior courts, they opined.

Another point they all emphasised was that the federal structure of the 1973 Constitution having been eroded, the President would concentrate in his person such sweeping powers as would make him the single most powerful executive of any country with a representative government.

(The delay in interviews occurred due to non-availability of the amended Bill's text which was published in the national Press long after the National Assembly had adopted it).

Mr Dorab Patel, at the outset, maintained that the PCO (Provisional Constitutional Order) would remain in force because of clause (3) of Article 270-A. "I do not agree with those who claim that the PCO will automatically lapse with the revocation of Martial Law," he said, adding "this, indeed, is very unfortunate."

Article 16 of the PCO, he explained, empowers the President as well as the CMLA to amend the Constitution. According to him, the whole object of the PCO was to "over-rule" the judgment of the Supreme Court in the Nusrat Bhutto case.

Mr Patel pointed to the criticism that the indemnity provisions contained in clause (4) and (5) of Article 270-A were wider than those in the 1962 and 1973 Constitutions and said that even if it was so, it was a small price to pay for the lifting of Martial Law.

"It seems to me morally wrong to try to retain provisions for punishing a Major or a Colonel for circumstances for which all of us, judges, lawyers, politicians, the

Services and the public are responsible," he argued.

Mr Patel, in another context, maintained that although the first two clauses of Article 270-A expressly validate all the Martial Law Legislations, clause 3 further states that such legislations "shall continue in force until altered, repealed or amended by a competent authority."

Mr Patel queried what would be the consequence of a ban on political parties under a Martial Law Regulation after the lifting of Martial Law?

"Therefore, it is very unfortunate that the effect of expressly retaining a Martial Law legislation on the statute book has not been clarified," he opined.

Mr Patel also said that whatever constitutional provisions are adopted to divide powers between the President and the Prime Minister, the President "even despite himself" will be "very much the senior partner" in a country in which the legislature has been elected on a non-party basis.

Clause 2(a) of Article 91 of the Constitution has been generally welcomed for the purpose of restoring the 1973 Constitution, but he said he particularly welcomed the deletion of the last clause of Article 96 of the former Constitution which, according to him, was the negation of the parliamentary system.

Mr Patel welcomed the deletion of the second proviso of Article 105 which, in his view, ran counter to the requirements of provincial autonomy.

Mr Patel appreciated the fact that the Political Parties Act had been excluded from the 7th Schedule. As the said Act will not be part of the Constitution, it will be possible to change it by a simple majority of the House, he opined.

Discussing the legal position of the PCO, Mr Fakhruddin Ebrahim maintained that the said Order had been validated by the Eighth Amendment.

"The PCO was the provisional Constitution of the country before the Eighth Amendment and will continue to be so after the adoption of the Constitution (Eight Amendment) Bill until it is repealed hereafter," he argued.

To him it was "obvious" that on the lifting of Martial Law and the re-emergence of 1973 Constitution

as amended by the RCO (Revival of Constitutional Order) and further amended in the Eighth Amendment, the PCO (Provisional Constitutional Order) would have to be repealed.

The Constitution (Eighth Amendment) Bill not only validates the imposition of Martial Law, but it seeks to endorse, adopt and validate the RCO of 1985, Mr Ebrahim maintained.

Under Article 46 of the 1973 Constitution the Prime Minister had to keep the President informed on matters of foreign policy and all the legislative proposals the Federal Government intended to bring before the parliament. But now, he said, this has been altered and it becomes the duty of the Prime Minister to communicate to the President all the decisions of the Cabinet relating to the administration of affairs of the Federation or to furnish such information relating to the same as the President may call for and, if the President so requires, to submit for the consideration of the Cabinet any matter on which a decision has been taken by the Prime Minister or a Minister which has not been considered by the Cabinet.

Article 48 of the 1973 Constitution has been altered. This Article required the President to act on and in accordance with the advice of the Prime Minister and that such advice was binding on him and orders of the President were required for their validity and countersignature of the Prime Minister.

But, said Mr Ebrahim, in the amended Article 48 the President is obliged in the exercise of his functions to act in accordance with the advice of the Cabinet or the Prime Minister. However, this will not extend to matters in respect of which the President is empowered by the Constitution to act in his discretion and the validity of anything done by the President in his discretion is not to be called in question on any ground whatsoever.

"The distinction between the advice to be given by the Cabinet or the Prime Minister is not easily understood. Generally the Prime Minister represents the Cabinet and there is no such Cabinet as apart from the Prime Minister," he argued.

The Article, as amended, presupposes that there might be a conflict in advice tendered by the

Cabinet and the Prime Minister and what will be the consequence thereof, is not specified, Mr Ebrahim pointed out.

An important point, Mr Ebrahim brought out, was that under Article 75 of the 1973 Constitution the President was bound to consent to a Bill within seven days after its presentation to him for his consent and if the President fails to do so, he shall be deemed to have consented to the Bill at the expiry of that period.

But, now under the amended Article 75 the President may not grant consent and return the Bill to the Parliament for its reconsideration. And, if at the joint session of the N.A. and the Senate it is again passed by the majority vote, the President is obliged not to withhold his consent.

Mr Ebrahim, in another context, pointed out that under Article 99 of the 1973 Constitution the Federal Government had been authorised to regulate the elections and transaction of its business. But this important power has now been conferred on the President who is authorised to make rules for the elections and transaction of the business of the Federal Government. This, he said, will vitally affect the day-to-day administration of the Federal Government.

"Thus, looked at from any angle the President becomes the unchallenged authority in the affairs of both the Federation and the federating units. The game of unmaking the Constitution, therefore, continues and the Eighth Amendment Bill will go down in history as the hole that has sunk the 1973 Constitution", Mr Fakhruddin Ebrahim observed.

Mr Fazle Ghani Khan observed that a study of the various provisions of the Constitution (Eighth Amendment) Bill leaves no doubt that instead of effecting a balance in the powers of the Prime Minister and the President which has been a problem in our long and sad constitutional history, the Bill once again concentrates all powers into the hands of the President.

Under the new Article 48 the President is to act in accordance with the advice of the Cabinet or the Prime Minister, but Mr Ghani said, the efficacy of this provision is lost by amendment of Article 58 of the 1973 Constitution wherein the President has been empowered to

dissolved the National Assembly whenever in his opinion a situation arise in which the Government cannot be carried on in accordance with the provisions of the Constitution.

Mr Khan further observed that the election of the Prime Minister under Article 91 of 1973 Constitution was the prerogative of the National Assembly, but by the substitution of clause (5) in this Article that the Prime Minister shall hold office "during the pleasure of the President" will put the clock back to the days of Governor General Ghulam Mohammad and President Iskandar Mirza. "This," he maintained, "is in clear derogation of the sovereign power of the Parliament".

The most important Article is 270-A which, according to Mr Khan, gives supra-constitutional authority to the proclamation of July 5, 1977 and a plethora of legislation made by the CMLA thereafter.

The validation clause of Article 270-A is of an extra-ordinary supra-constitutional nature and completely subordinates the Constitution of 1973 to the various laws made by the President and CMLA from July 5, 1977 onwards," he said.

Mr Khan regarded as "most unfortunate" the dropping of Article relating to the setting up of a National Security Council — "an august body which could be the best judge of the enforcement of an emergency in the event of internal strife or external invasion".

Lawyer Hafeez Lakho in his analysis of the Constitution (Eighth Amendment) Bill said that "instead of being a well-defined law providing security and safety to the citizens against the high-handedness of executive, the Bill leaves the future in the hands of one man - the President."

He said, Article 270-A, the July 5, 1977 proclamation, the PCO and the RCO apart from all other MLOs, MLRs etc. have been not only validated, but shall continue to be in force even after the date when Article 270-A is enforced. As to the enforcement of Article 270-A one may refer to clause 4 of the RCO which leaves it to the President to appoint a day for revival of any part of the Constitution and different days may be appointed in respect of different provisions.

Saying that the PCO and the RCO had violated the Supreme Court's judgment on Mrs Nusrat Bhutto's case, Mr Lakho opined: "Legally and theoretically, therefore, the nation will have to wait indefinitely for total withdrawal of Martial Law and revival of the Constitution even in its amended form. And this wait is likely to be the longest in so far as the fundamental rights of the people are concerned!"

Mr Lakho went on to argue that the powers of discretion vested in the President, among other provisions, by Articles 48 and 58 and executive authority in Articles 90 and 91 of the amended Constitution makes the President "virtually a monarch" inasmuch as in all matters his discretion is final and cannot be questioned. "This discretion also includes the power to dissolve the National Assembly if he finds that the National Assembly is likely to curtail the powers or is likely to use its right of amending the Constitution which may not suit him when Martial Law is lifted," he said.

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CSO: 4600/115

IPG LEADER SAYS PARTIES BILL CONTRAVENES CONSTITUTION

Karachi DAWN in English 17 Nov 85 pp 1, 8

Article: "Saifullah's View: Parties Bill Contravenes Constitution"]

[Text]

ISLAMABAD, Nov 16: The Political Parties (Amendment) Bill, 1985, as introduced in the National Assembly, is in contravention of the country's constitution and the basic rights provided in it.

This was observed by Haji Mohammad Saifullah Khan, leader of Independent Parliamentary Group (IPG) in the National Assembly, while addressing a Press conference here on Saturday.

He pointed out that the Bill, in its present shape, could not be enacted as law in the presence of the Constitution which guaranteed the citizens' freedom to form a group, union or party, by providing that no such restrictions could be imposed in this respect which were generally not considered reasonable.

He maintained that amendments made in the Political Parties Act in 1978 and 1979, under Martial Law, had been incorporated in the Bill while an impression was being given that it was almost the same as the 1962 Political Parties Act, with the addition of only three clauses. It was but a jugglery of words, he remarked.

Referring to provisions of scrutiny and audit of accounts of the political parties, their registration and disqualification by the Election Commission, he said these clauses could only work in the absence of a constitutional government and under Martial Law. But it could not be declared reasonable and fair when a constitutional Government had been installed, he added.

Recalling the past steps taken in the political legislation in the country, Haji Saifullah said the

country's first Political Parties Act of 1962, though passed by the then Assembly under presidential constitution, did not impose undue restrictions on the political parties, in keeping with the basic rights provided in the constitution. The only condition was that only such political parties would be set up in Pakistan as might work in accordance with the Pakistan ideology.

He said that in the said Act, it was also provided that if a political party worked against the ideology or integrity of the country, the Government could send a reference to the Supreme Court which could either disband the party or acquit it of the charges framed by the Government. In either case, the decision of the Supreme Court would be final and the Government had no authority to ban a political party first and send reference to the court later.

The IPG leader, however, pointed out that since there was no elaborate provision in the 1962 Constitution concerning the election of the members of political parties, it was, therefore, provided in the Political Parties Act of 1962 that a member of the assembly would lose his seat if he crossed the floor. This clause, however, became ineffective after a new Constitution came into effect in 1973, he added.

Haji Saifullah went on to say that the Government, through amendments in the Act in 1975, acquired the powers to disband a political party first and then send reference to the Supreme Court within 15 days of doing so. It, thus, enabled the Government of a party to take

unfair action against other political parties on its sole discretion.

Referring to the amendments made further in the Act in 1978 and 1979, under Martial Law, Haji Saifullah recalled that political parties were obliged to furnish a statement of their accounts, at the end of every financial year, to the Election Commission. Similarly, registration of political parties was made compulsory and the Election Commission was authorised either to allow registration or not, after going through their constitution and manifestos.

In this respect, the IPG leader said, political parties were obliged to get themselves registered with the Commission in 1979, with the provision that unregistered would not be allowed to take part in elections.

He pointed out that all these laws existed till today, while a new amendment provided that a member of a political party, returned to the National or Provincial Assemblies or Senate on party ticket, or an independent successful candidate joining a political party in the House, would be disqualified for the seat in case of crossing the floor. In such a case, the matter would be referred to the Election Commission whose decision in this connection could be challenged the Supreme Court through an appeal with 30 days of the decision of the Commission.

Haji Saifullah termed the provisions of the Political Parties (Amendment) Bill, 1985, a violation of the Constitution. For instance, he referred to the provision of floor crossing, in the Bill, and compared it with Article 225 of the Constitution which provided that the election of a member could not be challenged after election except through an election petition.

Haji Saifullah said IPG had turned down the Government's offer for compromise on the Political Parties (Amendment) Bill as it fully disagree with the provisions of the Bill in its present shape.

He said his group considered redrafting of the Bill imperative in order to conform to the needs of the time in the best interest of the country and in line with democratic traditions.

He pointed out that the Government had suggested that a compromise and understanding on the Bill could be worked out to pass it with a consensus in the National

Assembly. But he said IPG, disliked the undue restrictions in the Bill and was of the view that the Bill was not in line with the requirements of the Constitution and democracy. The Group wanted political parties to be allowed to play their role on stable foundations and, therefore, the amendments made in the Political Parties Act during Martial Law period could not be accepted at all. "That is why we have rejected the compromise offer on the Bill," he maintained.

Haji Saifullah said the Bill was now with the Standing Committee of the House and would be debated on the floor of the House after the Standing Committee sent it back. "Our viewpoint on this issue is clear that we do not want any such restrictions on political parties as may result in discrimination between them" he emphasised.

The government, he elaborated, could not be allowed to exempt its own party from all sanctions and impose limitations on other parties. Neither could we allow the Government to ban a political party or frame rules for political process in the country solely on its own discretion. The right to frame rules for political process should be vested in the Parliament only which represented all political parties while the Government stood for only one party, he said adding that no single political party could be given powers to legislate for political process in a democratic society.

The IPG leader emphasised that the process of consultations and negotiations between the ruling party and the opposition was a continuing process in the parliaments world over and he added, they did not rule out talks with the Government provided they were aimed at the best interest of the country and the nation.

Replying to a question, Haji Saifullah said the lifting of Martial Law was not at all associated or conditioned with the passage of the Political Parties (Amendment) Bill, 1985, by the Parliament. The announcement of Aug 14 last by the Prime Minister for the lifting of Martial Law was unconditional, he added.

He further elaborated that under constitutional provisions, only those articles concerning with the fundamental rights could be suspended as a whole in case of an emergency declared by the Gov-

ernment. In that case too, however, a single article or clause alone could not be suspended.

Answering another question, Haji Saifullah said that under present laws, all those political parties which got themselves registered in 1979 would stand revived with the revival of the political process in the country. But, he said, those parties which did not obtain registration from the Election Commission, would not be eligible to contest elections, though they too would be restored. However, a political party not registered in 1979 could not get itself registered now under the same name. Any such party desirous to get itself registered would have to do so under a different name, he added.—PPI

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CSO: 4600/115

PAKISTAN

ANOTHER GROUP FORMED IN NATIONAL ASSEMBLY

Karachi DAWN in English 15 Nov 85 p 5

Text

ISLAMABAD, Nov 14: A group of the National Assembly on Thursday announced formation of Islami Parliamani Ittehad opposing the Political Parties Bill presented in the Assembly at present.

Addressing a Press conference Thursday evening Maulana Wasi Mazhar Nadvi said that the very concept of the political parties was against the spirit of Islam.

He explained that since desire for power was not a legitimate pursuit in Islam formation of political parties in the country was contrary to the basic concept of Islam.

He said the membership of the group would be open to all who ever could help the group in its noble mission of enforcement of Islamic system in the country.

He said irrespective of

parliamentary or presidential form of government, the main aim of the group was to establish sovereignty of Islam in the country which was the basis of its creation.

Maulana Nadvi said that the first meeting of the group held on Thursday was attended by six members including Mr Saalim Khan, Raja Mohammad Afsar, Shah Baleeghuddin, Basir Randhawa, Wasi Mazhar Nadvi and Allama Moeenuddin Lakhvi.

He announced to hold the first formal meeting of the group on Nov 28 when the Assembly would resume its session.

The group held political parties responsible for almost all evils in the country including political crises, continued martial laws, and debacle of the east wing, Maulana Nadvi said.

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CSO: 4600/115

WALI KHAN ADDRESSES PAKHTOON KIWA WORKERS

Karachi DAWN in English 18 Nov 85 p 4

Article: "Name of Islam Being Exploited, says Wali Khan"

Text

PESHAWAR, Nov 17: Khan Abdul Wali Khan, the leader of the banned National Democratic Party (NDP) has said smaller provinces of the country have developed a deep sense of deprivation and thus were resorting to rally around confederation slogans.

Addressing the provincial convention of the Pakhtoon Khawa (NWFP) here on Sunday, Khan Wali Khan claimed that the name of Islam was being exploited. He said such was the case of socialism which was used by the founder of Peoples Party in the past.

He said it was a planned conspiracy of the exploitative forces to keep the people away from realities and realise their genuine rights. But the day was not far off when the people would reject them and adopt their own way, instead.

Referring to Kalabagh Dam project, Wali Khan said, Pakhtoons would never allow this plan to materialise as it was a plan of their destruction.

This Dam would submerge their best fertile land of NWFP besides

displacing them from their homes, he said.

We are not prepared to give a single drop of water from our river nor we shall allow them to destroy us by constructing Kalabagh Dam, he declared.

About Afghanistan problem, Wali Khan referred to his recent talks with Babrak Karmal, who he said had agreed to settle this issue if guarantees of non-interference in his country were provided. He claimed that this problem could not be solved because of the United States involvement in this region.

Khan Wali Khan reiterated his party stand that the 1973 Constitution, no more existed and said this did not constitute in any way their support to the regime, as being blamed.

He claimed that it was Khan Abdul Ghaffar Khan (his father) who waged a potential struggle against the English rulers and forced them to leave the country but those who came into power thereafter could not preserve the spirit of independence.—PPI.

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CSO: 4600/115

## RESERVE POLICE FORCE PLANNED

Karachi DAWN in English 18 Nov 85 p 4

### Article: "Reserve Police Force to be Set Up"

#### Text

ISLAMABAD, Nov 17: The Federal Government has formally decided to set up reserve police force, which will be posted in the provinces to help in controlling law and order situation.

This was stated here today by the Interior Minister, Mr Mohammad Aslam Khan Khattak, while speaking at the graduation ceremony of special investigation course held at the Federal Investigation Agency headquarters.

The course was organised by the FIA Training Institute. The ceremony was attended, among others, by Mr Mohammad Pasha Khuhro, Minister of State for Interior.

Mr Khattak said that in the beginning, 10,000 persons would be recruited for the reserve police force. He said Prime Minister Mohammad Khan Junejo had already sanctioned necessary funds for the purpose and the Director-General of the force had been appointed.

He said the police force would be posted in the provinces. It would be equipped with non-lethal weapons to help the police to check violence. For instance, he added, this force would be helpful in dispersing mobs peacefully.

The Minister categorically stated that this force would not be like the former Federal Security Force, and it would never be used for political purposes. He said there should be no misgivings or doubts about the role of the reserve police which, he added, was being solely constituted to assist the existing police force in the provinces to curb crimes.

**VITAL ROLE:** Mr Khattak said the police had to play a vital role in

reforming society and protecting life and property of people. He said the police would have to perform a much important role after the lifting of Martial Law.

He said there might be many black sheep in the police force as in case of other departments but, he added, this fact could not be denied that there were honest and noble persons also in the police, who deserved encouragement.

The Minister noticed that crimes like kidnapping and trafficking and use of narcotics had become most serious which, he added, had caused great concern to people.

**POLICE REFORM:** Mr Khattak said that although the provincial governments were mainly responsible for controlling law and order situation, the Federal Government could not overlook its responsibility in this connection.

He thought that Federal and Provincial Governments should work collectively to ensure safety of people. He said the Government was fully convinced of the need for improving the standard of police force. He said various steps were under way to reform their service conditions. A report, submitted by the Police Reforms Committee, was under consideration of the Government, he added.

The recommendations of the committee would be implemented after the approval of the Prime Minister.

The Minister also spoke on the role of investigation agencies in curbing crimes and providing justice to people.

He appreciated the working of FIA, and called for doing more hard work and produce better results. He held out an assurance that the Government would try to send maximum number of policemen abroad for training.

Mr Mohammad Azam Qazi, Director-General, FIA, presented a welcome address, highlighting details of in-service training course undertaken by FIA's Training Institute.

The Minister also distributed certificates and medals among the 52 participants of the course.—

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END